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CONCILIATION COMMISSIONER REPORTS

No. 5, 1975

Conciliation Commissioner Reports in disputes between:

Conciliation Commissioner Reports in disputes between:

Canadian Pacific Air Lines Ltd. and Canadian Air Line Flight Attendants' Association

Eastern Provincial Airways (1963) Limited and Canadian Air Line Pilots' Association

Air Canada and Canadian Air Line Flight Attendants' Association

Air Canada and Canadian Air Line Employees' Association




CANADA DEPARTMENT OF LABOUR

Reports of Boards of Conciliation

Hon. John Munro, Minister

T.M. Eberlee, Deputy Minister



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**Report of the Conciliation Commissioner appointed to deal with a dispute involving
Canadian Pacific Air Lines Ltd. (the "Company")
and
Canadian Air Line Flight Attendants' Association (the "Association")**

The Conciliation Commissioner appointed by the Minister of Labour to deal with this dispute was Professor J.C. Smith of Vancouver. His report was received by the Minister in September.

Hearings were held at Vancouver, British Columbia on August 19, 20, 21, 28 and 29, 1975.

C.P. Air is a wholly owned subsidiary of Canadian Pacific Railway which operates both within Canada and internationally. The Association is the bargaining agent for 807 flight attendants, 110 pursers, and 27 passenger service directors.

After the formal hearing was held it was agreed that the commissioner should attempt to conciliate the dispute. As a result of these efforts all outstanding items were agreed upon and the attached memorandum of agreement was drafted and signed.

September 2, 1975.

(Sgd.) J.C. Smith,
Commissioner.

**MEMORANDUM OF AGREEMENT
BETWEEN**

Canadian Pacific Air Lines Ltd.
(hereinafter referred to as "the Company")

AND

The Canadian Air Line Flight Attendants' Association
(hereinafter referred to as "the Association")

The Company and the Association hereby agree to the following terms and provisions.

ARTICLE 3 — DEFINITIONS

Clause 4 — "Purser"

Add the following to the end of the first sentence:

"including assignment of Flight Attendants to specific positions on the aircraft in accordance with Company policy."

Clause 5 — "Passenger Service Director"

Add the following at the end of the definition:

"including assignment of Flight Attendants to specific positions on the aircraft in accordance with Company policy."

ARTICLE 4 — RATES OF PAY

Clause 4 — "Senior Flight Attendant Rates of Pay"

Delete.

Clause 5 — Flight Attendants Minimum Guarantee

Lower case letters will be used as appropriate for the words Flight Attendant where they appear in the clause.

Clause 6 — Passenger Service Director Minimum Guarantee

The clause will be amended to read as follows:

"Passenger Service Directors who serve a full month will be guaranteed a minimum pay of seventy (70) times their hourly rate except as provided in Clause 7 below."

New Clause

"Pay credits applicable under the following provisions of this agreement will be credited in addition to the minimum monthly pay guarantees:

Article 4 Clause 10 - Training Pay	
" 4 " 11 - Training Travel Time	
" 4 " 12 - Ground Service	
" 4 " 13 - Reporting Time	
" 5 " 14 - Public Relations Assignments	

ARTICLE 5 — HOURS OF SERVICE

Add the following as a new clause between the present Clauses 7 and 8:

"A reserve Flight Attendant who reports to the airport for a flight or airport reserve duty and does not fly will be credited with two (2) hours for pay and flight time limitation purposes. A Flight Attendant assigned to airport reserve duty will not remain unassigned at the airport for more than four hours.

A Flight Attendant (blockholder) who is drafted and reports to the airport for flight duty and does not fly will be credited with two (2) hours' pay.

RATES OF PAY

Prior to the application of the general wage increase all minimum hourly rates of pay including the newly established classifications (on the applicable effective dates) will be adjusted by the addition of 50c per hour effective August 1, 1975.

On the dates effective in the above paragraph, the rates as above adjusted will be further increased by fifteen per cent (15%).

Effective August 1, 1976 the rates then in existence will be increased by a further ten per cent (10%).

ARTICLE 6 — TRANSPORTATION AND EXPENSES

Clause 3 — Flight Attendant Transfers

Second sentence will be amended to read as follows:

"Flight Attendants shall be allowed reasonable current living expenses for themselves and their dependants at point of new assignment for a period of up to fourteen (14) days unless written authority for a longer period is received from the Company."

Clause 5 — Flight Attendant Transfers Outside Territorial Limits of Canada

"Flight Attendants transferring to and from bases outside the territorial limits of Canada or returning to Canada as a result of a

base closure, shall be considered as transferred at Company request, provided that when flight attendants bid to a base outside the territorial limits of Canada they shall agree to remain there for a minimum period of one (1) year or the bulletined length of assignment if less than one (1) year or forfeit their moving expenses for their return to Canada, in which case they will be provided with space available transportation only, over the Company's airlines, for themselves and the dependant members of their family.

ARTICLE 7 — SENIORITY

Clause 4

Typographical change — replace "be be" with "to be" in the second sentence.

ARTICLE 9 — PROBATION

Clause 1 — New Flight Attendants Probationary Period

To be amended to read as follows:

"All new Flight Attendants shall be required to serve a probationary period of six (6) months from the date of assignment to the line as Flight Attendants. This period will be extended by the length of any period of absence in excess of fourteen (14) consecutive days. Any other extension shall be by mutual agreement between the Company and the Association."

Clause 2 — Retention, Discharge or Disciplining of a Probationary Employee

Amend second sentence to read as follows:

"However, seniority shall be considered in retention in case of reduction in force, assignment or reassignment due to expansion or reduction in schedule, re-employment after release due to reduction in force and their choice of vacancies."

ARTICLE 10 — TRANSFER TO NON-FLYING OR SUPERVISORY DUTIES

Clause 2

Amend to read as follows:

"A Flight Attendant authorized by the Company to transfer to another department within the Company (not directly associated with Flight Attendant functions) shall retain his or her seniority date as a Flight Attendant for a period not to exceed six (6) months from the date of transfer unless the individual indicates his or her intention to return to a Flight Attendant position prior to the expiry of the six (6) month period. Return to a Flight Attendant position shall be to the first vacancy at the base to which the Flight Attendant was assigned prior to transfer. If a Flight Attendant does not return to a position directly connected with Flight Attendant functions as outlined above, he or she shall lose all Flight Attendant seniority and his or her name shall be removed from the Flight Attendant seniority list.

Clause 3 — Transfer account physical incapacity/sickness/injury

Add the following to end of clause:

"Notwithstanding the foregoing a Flight Attendant may accrue seniority for a period in excess of three (3) years while assigned to such non-flying or supervisory duties provided such assignment is in accordance with a recognized rehabilitation program."

ARTICLE 12 — FILLING OF VACANCIES

Clause 15(a) — Bids for Passenger Service Director

The second sentence of the present clause will be deleted.

Clause 15(b)

The words "and will be subject to vacancy at that time" in the second sentence will be deleted.

ARTICLE 13 — VACATION AND GENERAL HOLIDAYS

Clauses 3 and 4 will be amended to provide four weeks' vacation after ten (10) years' service effective May 1, 1976.

Clauses 4 and 5 — The first paragraph will be deleted and the words effective May 1, 1974 will be deleted from the second paragraph.

Clause 6

The second sentence will be amended to read as follows:

"Notwithstanding this provision, the Flight Attendant will not accumulate any days off for a calendar quarter in which he or she is off the payroll for forty (40) or more days in the quarter and will accumulate one (1) day off for a calendar quarter in which he or she is off the payroll for twenty (20) to thirty-nine (39) days inclusive in the quarter.

Clause 18

Amend to read as follows:

"Transportation on Company aircraft when proceeding on annual vacation will be granted in accordance with the regulations of the Company."

ARTICLE 14 — LEAVES OF ABSENCE

Clause 2

Add the following to the end of the last sentence:

"...except as provided in Clause 3 below."

New Clause

This clause will be inserted between the present Clauses 2 and 3 and will read as follows:

"When a leave of absence has been granted because of health or injury, seniority shall accrue until the Flight Attendant is able to return to duty or is found to be unfit for such duty after a continuous leave of three (3) years, except that any Flight Attendant under full long term disability benefits or workers compensation shall accrue seniority while covered by these benefits.

ARTICLE 15 — UNIFORM

Clause 5 — Cleaning Allowance

To be amended to read as follows:

"Each Flight Attendant will be granted a cleaning allowance of \$8.00 per month.

ARTICLE 20 — MISSING, INTERNMENT, AND PRISONER OF WAR BENEFITS

Clause 1

To be amended by deleting words "and only to a maximum of twenty-four (24) monthly payments in any such event."

ARTICLE 23 — BULLETIN BOARDS

To be amended to read as follows:

"The Association shall have the privilege of posting proper Association notices on official CALFAA letterhead and signed by authorized Association Officials on bulletin boards or bulletin board space, provided for that purpose and so marked, at all Flight Attendant bases at which Company bulletin boards are maintained. A list of authorized Association Officials will be furnished to the Company annually.

ARTICLE 25 — DEDUCTION OF DUES

Clause 4

To be deleted.

ARTICLE 26 — SICK LEAVE

Clause 2 to be amended to read as follows:

"On the first day of the month following completion of three (3) full months of service with the Company each flight attendant will be credited with two hours and thirty-five minutes (2:35) for each full month of service, to the maximum of one hundred and sixty hours (160)."

Effective date - September 1, 1975.

ARTICLE 18 — GRIEVANCE PROCEDURE

New Clause 10

On request the Company shall provide the grievor and the Association with two (2) copies of all documents relative to such grievance.

Should any additional documentary evidence become available during the grievance procedure, the Company agrees to provide such information to the Association.

ARTICLE 28 — RENEWAL AND TERMINATION

Clause 1

To be amended to read as follows:

"This Agreement shall become effective as of August 1, 1975 and shall continue in full force and effect until July 31, 1977 and shall renew itself without change each succeeding July 31 thereafter unless written notice of intended change is served by either party hereto at least thirty (30) days prior to July 31 in any year."

LETTER OF UNDERSTANDING NO. 1 — EFFECTIVE DATES

This letter will be deleted.

LETTER OF INTENT NO. 3 — CREW COMPLEMENT

The existing letter will remain intact with the addition of the following:

"Boeing 727: 108 economy class configuration on Western Canadian services — a minimum crew of three flight attendants will be carried."

LETTER OF INTENT NO. 5 — EXPERIMENTAL CREW BLOCKING

This letter will be deleted.

LETTER OF INTENT NO. 10 — ASSIGNMENT OF VACATION PERIODS

This letter will be renewed and updated to remain current during Agreement No. 15.

SCHEDULING RULES

SECTION 2 — PREPARATION OF BLOCKS

Paragraph 4

A new section (i) will be added to Paragraph 4 and will read as follows:

"Flight Attendants will be permitted to bid from one (1) fleet division to the other at the end of each quarterly bid period. Flight Attendants not qualified on the fleet division to which they are bidding must arrange to attend an emergency training course in order to obtain the qualifications for that fleet. Emergency training courses for this purpose will be scheduled prior to the commencement of the new bid period. Flight Attendants attending emergency training courses under the provisions of this paragraph will not be covered by the provisions of Article 4, Clause 10, nor will the time spent on such training courses be credited toward the twelve-(12) hour provision of Article 4, Clause 10."

SECTION 3 — BIDDING, AWARDING OF BLOCKS AND RESERVE DUTY SELECTIONS

Paragraph 8(c)

The words "and will be subject to vacancies" will be deleted from the second and third sentences.

SECTION 13 — TRIP EXCHANGES

Paragraph 3

A new sentence will be added to read as follows:

"Crew Scheduling shall notify the Flight Attendants in writing of their approval of a request for a trip exchange within forty-eight (48) hours of a request being made. This forty-eight- (48) hour period may be extended during the five- (5) day period following the bid award."

NEW ITEM

Hotel accommodation at layover points.

The Company will provide the Association with a letter regarding hotel accommodation that will read as follows:

"Confirming our discussions during negotiations, this will confirm that the Company shall consult with the delegated

representatives of the Canadian Air Line Flight Attendants' Association at the base operating the flights into a layover point before establishing or changing hotel accommodation at the layover point."

NEW ITEM

Safety Committee.

A joint CP Air/CALFAA Safety Committee will be established following negotiations. Details concerning the establishment and operation of this Committee will be in accordance with the discussions during negotiations and will be set forth in a letter from the Company to the Association.

NEW ITEM

First Class Flight Attendant — New Classification

The Company will establish a first class flight attendant position on the following basis:

—The position is to provide a specialized first class flight attendant, under the jurisdiction of the passenger service director/purser, who is required to provide first class service in accordance with Company policy and standards. In the event the actual first class load does not require the services of a first class flight attendant(s) he or she may be assigned to work in another area.

—First class flight attendant positions will be blocked for all flights scheduled to operate with first class service. On B-747 aircraft the number of first class positions will vary from one (1) to four (4) according to anticipated loads for the quarter.

—A separate reserve status will be established for the first class positions. The minimum guarantee for reserve first class flight attendants will be sixty-five (65) hours at the first class flight attendant rate of pay.

—First class flight attendant reserves may be utilized as a flight attendant reserve prior to drafting for that status.

—Positions will be rebid each block period, with the exception that where monthly bidding occurs, the bid on the first month of the quarter will be a commitment to occupy the first class position for that quarter.

—In the event that there are insufficient bidders on the first class positions, they will be assigned in reverse order of seniority.

—The following rates of pay will be established for the first class flight attendant position prior to the application of the general wage increases negotiated for Agreement No. 15:

First 6 months	- \$10.29
Second 6 months	- 10.85
Third 6 months	- 11.17
Fourth 6 months	- 11.52
Third year	- 12.37
Fourth year	- 12.92
Fifth year	- 13.46
Sixth year	- 14.08
Seventh year	- 14.69

Effective date will be November 1, 1975.

In-Charge Position Western Canadian Services

The Company will establish an in-charge position on the Western Canadian Services in accordance with the following provisions:

Title: Purser, Western Canadian Services — New Classification

Purpose of the position is to provide leadership for a flight attendant crew assigned to a flight on the Company's Western Canada routes in accordance with Company regulations and standards and subject to the provisions of the agreement.

Flight attendant in-charge positions will be blocked separately on a monthly basis.

Separate reserve status will be established with a minimum monthly guarantee of 70 hours times the hourly rate for the flight attendant in-charge position.

The following wage rates will be established for the flight attendant in-charge position prior to the application of the general wage increases negotiated for Agreement No. 15:

1st 6 months	- 10.50
2nd 6 months	- 11.00
3rd 6 months	- 11.40
4th 6 months	- 11.75
3rd year	- 12.65
4th year	- 13.20
5th year	- 13.70
6th year	- 14.25
7th year	- 15.00

Effective date, October 1, 1975.

SECTION 4 — DAYS OFF AND REST PERIODS

Section 4, paragraph 2 will be amended to read as follows:

"A Flight Attendant on reserve duty for a full month will be guaranteed twelve (12) days (288 hours) free from duty for each month in one period of not less than 144 consecutive hours, and the remainder in periods of not less than 48 consecutive hours. Guaranteed days off will be scheduled to commence at 00.01 hours."

Effective date for domestic reserve blocks will be October 1, 1975 and the effective date for composite reserve blocks shall be November 1, 1975.

NEW LETTER OF INTENT

A Letter of Intent will be drafted that will provide that where a flight attendant's duty period originates at one airport and terminates at the other for Dorval-Mirabel operations the maximum duty period limitation provisions of the agreement will be reduced by thirty (30) minutes.

The Letter shall also provide that when Mirabel opens possible changes in working conditions will be discussed by the Association and the Company.

DEAD HEADING

Whenever possible other carrier deadheading information will be included in the flight pairing sheets.

Where the connecting times are considered excessive by the Association, the Company agrees to discuss alternative arrangements.

NEW LETTER OF INTENT

A Joint Committee of the Company and the Association shall be set up to study blocking problems.

PENSIONS

The C.P. Air pension plan shall be amended to provide for 2% credit for all years of allowable service for employees retiring after January 1, 1976.

ARTICLE 26 — SICK LEAVE

Clause 8

In lines 5 and 6 delete words "which in the opinion of the

Medical Department." At the end of paragraph add new sentence:

"If a dispute arises under this clause as to whether or not an illness is a result of the living or health conditions peculiar to a foreign country, it shall be settled under the provisions of Article 16."

Both parties agree to recommend this agreement to their principals.

Report of the Conciliation Commissioner appointed to deal with a dispute involving Eastern Provincial Airways (1963) Limited and Canadian Air Line Pilots' Association

The Conciliation Commissioner appointed by the Minister of Labour to deal with this dispute was Rolf Hattenhauer of St. John's. His report was received by the Minister in October.

Following my appointment as Conciliation Commissioner in the above dispute, I contacted representatives of both parties, and it was agreed that the first meeting would be held in Gander, Newfoundland on August 19, 1975.

In view of the time already elapsed since my appointment, both parties agreed to an extension of my term of office beyond the statutory period.

During the joint session of August 19, both sides presented the outstanding issues as they saw them, and there were a total of 23 clauses in dispute. As a result of joint and separate sessions on August 19, 20, and 21 the parties reached agreement on all but the 3 major items. These 3 items are: Wages, Term of Agreement, and Meal Allowance. From the beginning of negotiations it was quite apparent that neither party was prepared to make any major concessions in the position it had assumed, and since their respective wage proposals were so far apart as to make progress in continued negotiations highly improbable, conciliation concluded on August 21. Both sides at that time agreed to submit written briefs in defence of their position on the 3 outstanding items.

The Association

Wages — The Association's position was entirely unchanged from its original proposals. The 7-step Captains' scales were to be reduced to 4 steps, and then an initial across-the-board increase of 13 per cent was to be applied at the beginning of the Agreement (July 1, 1975) with another 7 per cent compounded increase to follow on November 1, 1975. The major argument in support of these demands was that a historic relationship between salaries for EPA pilots and those for pilots of other regional air lines ought to be maintained on the principle of "equal pay for equal work." The Association argued that EPA pilots have agreed to more working hours per month than is required of pilots of other air lines and that it is unreasonable to expect EPA pilots to work for salary levels below industry standards.

The total cost of condensing the wage scales from 7 to 4 steps and of increasing salaries as proposed by the Association was calculated to be \$383,250 (18.25%) or \$360,246 (17.15%) if one takes into account a \$35 per month cost of living bonus that was discontinued as of July 1, 1975.

Term of Agreement — The Association's wage proposals were based on a 12-month agreement, and that in turn was based on the

argument that long-term agreements are not conducive to industrial stability and peace in view of the unsettled and unpredictable economic situation. It was argued that "any long term contract will place the EPA pilot group out of the main stream of the rest of the industry, particularly since the EPA pilot group has just terminated a 20-month agreement." The Association argued that "for a company to look to an employee group who will be locked into a labour agreement, as a means of cutting costs, is very restrictive to that employee group." Management presumably "has a whole universe in which to make decisions," and realignment of services, reallocation of resources, marketing, and financing were suggested as areas in which management ought to look for possibilities to increase profits or to reduce losses.

Meal Allowances — The previous agreement between the parties provided for total meal allowances of \$14.50 per day, and the Association proposed that this be increased by 44.8 per cent to \$21. It was argued that this increase was intended not only to compensate for loss in buying power during the term of the previous agreement but also to anticipate such a loss during the term of the new agreement. The Association's position on meal allowances was unchanged from its initial proposals.

The Company

Wages and Term of Agreement — The Company considered wages and term of agreement to be interdependent and was prepared to negotiate on both of these.

Originally, the Company had proposed a 7 per cent wage increase over one year, and this percentage increase was intended to give the pilots the same increase in terms of dollars as had been negotiated with the other unionized employees. At the close of negotiations, the Company offered a two-year agreement with a 10 per cent increase in each of the two years. The comparison with other regional air carriers was rejected out of hand on the basis that "there are four other regional carriers besides EPA, and each of them has different route structures and work rules relating to its particular operation." The Company argued that wages must be considered within the framework of the overall negotiations and further argued that the concessions already granted did amount to \$530,200 over the term of the proposed two-year agreement. If the Company's wage proposal for the two years (\$485,100) is added to this figure, then the total cost of the concessions in this set of negotiations is in excess of one million dollars. Citing higher fuel costs, low growth in traffic, and general increases in costs resulting from inflationary pressures, the Company argued "inability to pay" salaries in excess of those included in its last offer.

Meal Allowances — The Company offered a 24 per cent increase over the existing rate of \$14.50, which would raise the per diem allowance

to \$18. This increase was arrived at by "reviewing the food prices in the areas where crews are overnighted."

Considerations

I have requested and have received information from both parties in support of their respective positions, and I find that—as usual—there is some validity in both arguments. To take the matter of meal allowances first, I must agree entirely with the Association when it argues that there are two different time periods to be considered, namely a) the duration of the previous agreement and b) the agreement presently being negotiated. The meal allowances were established at the commencement of the previous agreement (November 1973) and have not changed since. No argument ought to be necessary in support of the contention that food prices did not remain stable since November 1973, and what was considered to be a sufficient meal allowance at that time can surely not be defended as being still adequate in July of 1975 or July of 1976.

I must, however, also agree with the Company when it argues that the meal allowances should be based on some rational and objective criterion, rather than being negotiated on the basis of guess work or intuition. A survey of costs of average restaurant meals in major centers where crews are normally scheduled for layover is certainly one possibility to establish a realistic level for meal allowances, but since such surveys might have to be carried out at frequent intervals, they would be very time consuming and the precise locations where prices are being checked might be subject to dispute and disagreement. The other possible criterion on which to base changes in meal allowances would be the 'Food Away from Home' component of the Consumer Price Index published by Statistics Canada.

In its presentation, the Association argued that a meal allowance should not be considered as part of a wage settlement but that it is "merely a reimbursement of out-of-pocket expenses." While I certainly agree that meal allowances ought not to be considered as part of wages, I cannot agree that they are simply a reimbursement for actual out-of-pocket costs that are incurred by employees because of scheduling and layover. What this argument ignores is the fact that every meal that is not consumed at home lowers the food bill that the individual would have in any event, even if there were no overnighting. It is therefore not entirely reasonable to expect the employer to reimburse the employee for 100 per cent of the cost of meals eaten away from home. I consider it therefore unnecessary to build an anticipatory component into the meal allowance for this agreement, and periodic adjustments of that allowance should be sufficient to assure that the reimbursement for the incremental cost of 'Food Away from Home' remains reasonable and fair during the term of this agreement.

Term of Agreement — The Association argued that the average length of its agreements for the past four years "has been 16 months" and that a "long-term contract will place the EPA pilot group out of the main stream of the rest of the industry." I find this a rather unconvincing line of argument since I am not persuaded that it is more virtuous to sign collective agreements that cover 16 months than to sign collective agreements for 24 or 36 months. Long-term agreements have always been found to be advantageous by some employers and their employees, and the fact that "the EPA pilot group has just terminated a 20-month agreement" is perhaps an indication that this Company and its employees have found it mutually satisfactory to sign long-term rather than short-term agreements. There is nothing sacrosanct about industry standards, and if the members of this bargaining unit wish to deviate from those standards, then there is no one who has any right to fault them from doing so; it is *their* agreement rather than CALPA's or mine.

The Association also suggests that labour-management co-operation and collaboration make it more advisable for the parties to meet at the bargaining table at shorter intervals so that problems can be solved as they arise. I entirely agree that employers and their employees through their bargaining agent should be in constant

communication rather than wait until problems reach the crisis point, but that does surely not preclude the signing of long-term agreements. Labour-management co-operation committees are an excellent mechanism to solve problems as they arise, while short-term agreements are not *ipso facto* conducive to labour peace. On the contrary, short-term agreements may well lead the parties into crisis situations at such frequent intervals that labour peace and collaboration may become the exception rather than the rule. In fact, other bargaining units have signed 2-year agreements with this same Company, just as the pilot group has done in the past, and that would lead me to conclude that this employer and its employees find 2-year agreements preferable to one-year agreements. No compelling argument to the contrary has been advanced.

Wages — Firstly, considering the question of condensing the wage scale for Captains from 7 to 4 steps, I see no reason why EPA cannot follow industry practice in this respect. While, here again, industry practice is by no means binding upon this Company and its employees, Company negotiators have raised no strong objection to condensing these scales to 4 steps.

Secondly, with respect to the question of wage increases, I find that the argument here is one of external wage comparability versus ability—or inability—to pay. On the one hand, the Association in effect argued that the labour market for pilots is the regional air line industry in Canada and that within that labour market similar skills should be compensated for at similar wage levels; that has been true in the past, and it should continue to be true, irrespective of the Company's present financial position. The Association is evidently aware of the fact that the Company is experiencing serious financial problems, but it argued that such problems are insufficient reason to deviate from the historic wage patterns.

The Company, on the other hand, pointed to the results of operations for the first 6 to 8 months of 1975 and, in anticipation that current trends in the industry will continue, argued that economically the Association's wage demands are simply not justifiable. The Company's initial salary proposals reflected the principle of internal wage consistency on the basis of dollar amounts, rather than on the basis of percentage increases. While this dollar amount would give pilots an increase of only 7 per cent, it amounted to 20 per cent for the other groups, and that is simply a reflection of the large difference in actual salaries paid to the various groups of employees. However, the 20 per cent increase for the other groups was coupled with a 2-year agreement and with an increase of only 9 per cent in the second year. The Company pointed out that higher increases should be given to the lower paid employees since they are much more seriously affected by the rising cost of living. Employees in higher salary brackets—and pilots' salaries certainly place them into this group—have perhaps their living comforts somewhat diminished by inflation but do not feel the hardships that lower paid employees have to accept. This company is facing serious economic pressures and is therefore simply unable to maintain external wage patterns or to grant wage increases that are internally consistent in percentage terms.

I have examined the information provided by the Company, including the statements showing operating results up to the end of August of 1975, and I have come to the conclusion that salary increases in the amounts proposed by the Association would impose an unreasonable and even intolerable financial burden on the Company at this time. While it may be desirable from the pilots' point of view to maintain external wage comparability, it is by no means unusual to find that within a given labour market different rates of remuneration apply to the same skill, depending on the financial comparabilities of respective employers. I am aware that unions try to maintain the "equal pay for equal work" principle, but I am also aware that no employer can continue to operate if his expenditures exceed his revenue even by a small amount. Indications are that the Company intends to do precisely what the Union has suggested could be done, namely to improve the overall efficiency by expanding or modifying certain aspects of its operations. However, the fact remains that the air line industry is facing serious problems, and I consider it only reasonable that wage increases be maintained at levels that are

necessary under the circumstances rather than appear desirable to those affected.

The question then is: What is necessary? No one would seriously argue that necessity in this case ought to be measured against subsistence levels of income, and that leaves really only two other criteria. Firstly, there is the question of what is necessary in order to preserve real income—rather than monetary income—for the employees concerned, and secondly it must be considered what salary levels are necessary in order to assure the Company of a sufficient labour supply. From the fact that the Company's last proposal offered a 2-year agreement with 10 per cent salary increases in each of the two years, I must assume that Company officials are satisfied that such increases will be sufficient to attract the required number of skilled employees. However, while personnel recruiting considerations may thus not make it necessary to offer wage increases above 10 per cent per annum, such increases are sufficient to meet the requirements of the first mentioned criterion, i.e. the maintenance of real income. In other words, the Company ought to be prepared and make a reasonable effort to prevent erosion of its employees' salaries as a result of increases in the cost of living, i.e. the Consumer Price Index. This policy was evidently accepted, at least in part, when the Company granted a \$35 a month cost-of-living bonus to all its employees, and I consider it fair and not unreasonable that this policy should be continued for the pilots, notwithstanding present economic conditions.

RECOMMENDATIONS

Having considered the evidence presented to me by both parties to this dispute, I believe that the following recommendations offer a fair and equitable basis for settlement of the outstanding issues:

Term and Salaries

I recommend that the parties conclude a 2-year agreement and that salaries be computed as follows:

- a) The Captain's salary scales should be reduced from 7 to 4 steps by eliminating the first 3 steps. The salaries of the new Captains' and of the present First Officers' scales should be increased by \$35 to restore them to their pre-July 1, '75 levels, and then a 12 per cent increase should be granted effective July 1, 1975, with a further 12 per cent increase to be granted on July 1, 1976. The new scales would be as shown in the appended schedule.

Meal Allowances

As the Union pointed out in its brief, meal allowances should be considered separate and distinct from salaries. I agree with that position in so far that meal allowances are intended to reimburse a pilot for the *incremental* rather than the actual out-of-pocket costs that are incurred as a result of having to eat away from home. Statistics Canada reported that the Index for "Food Away from Home" (1961 = 100%) was as follows: November 1973 = 207.5, and July 1975 = 261.5. This means that the Index rose 26 per cent during the period mentioned, and it seems reasonable that the meal allowance should rise by an equal proportion. Increasing the present amount of \$14.50 by 26 per cent yields \$18.27. To provide some compensation for the period from November 1973 to the beginning of this agreement, I recommend that the new amount for meal allowance be placed at \$18.50, effective July 1, 1975. To prevent meal

allowances from becoming grossly inadequate vis-a-vis a sharply rising Consumer Price Index, I further recommend that the Index for "Food Away from Home" be reviewed quarterly and that the meal allowance be adjusted if that Index indicates that an increase in the allowance of 25c or more is justified.

The foregoing recommendations are presented to both parties as a reasonable basis for settlement of the 3 items still in dispute between them.

St. John's, Newfoundland.
September 29, 1975.

(Sgd.) R. Hattenhauer,
Conciliation Commissioner.

Boeing 737 Pilots

Captains

June 30, 1975	July 1, 1975	July 1, 1976
\$35/m	(12%)	(12%)
Year 1	2730.	3097.
Year 2	2815.	3192.
Year 3	2900.	3287.
Year 4	2985.	3382.

First Officers

Year 1	1049.	1214.
Year 2	1289.	1483.
Year 3	1408.	1616.
Year 4	1528.	1751.
Year 5	1647.	1884.
Year 6	1766.	2017.
Year 7	1885.	2150.

Mainline Multi Engine IFR Equipment Pilots

Captains

Year 1	2046.	2331.
Year 2	2110.	2402.
Year 3	2173.	2473.
Year 4	2237.	2545.

First Officers

Year 1	846.	987.
Year 2	970.	1126.
Year 3	1063.	1230.
Year 4	1154.	1332.
Year 5	1244.	1432.
Year 6	1334.	1533.
Year 7	1424.	1634.

**Report of the Conciliation Commissioner appointed to deal with a dispute involving
Air Canada (Hereinafter called the "Company")
and
Canadian Air Line Flight Attendants' Association (Hereinafter called the "Association")**

The Conciliation Commissioner appointed by the Minister of Labour to deal with this dispute was Professor J.C. Smith of Vancouver. His report was received by the Minister in October.

Hearings were held at:

Toronto, Ontario, on August 11th and 12th, 1975.

Vancouver, British Columbia, on September 21st, 22nd, 23rd and 24th, 1975.

Québec City, Québec, on October 5th, 6th, 1975.

Montreal, Québec, on October 7th, 1975.

Air Canada is the largest Canadian air line and operates both within Canada and internationally. The Canadian Air Line Flight Attendants' Association is the certified bargaining agent for all Cabin Personnel employed by the Company who operate within the classifications of Flight Service Director, Purser, Assistant Purser and Flight Attendant. The bargaining unit contains approximately 3,000 employees who are based at Montreal, Toronto, Winnipeg and Vancouver.

After the formal hearings were held it was agreed that the Commissioner should attempt to conciliate the dispute. As a result of these efforts all outstanding items were agreed upon and the attached memorandum of agreement was drafted and signed.

October 10, 1975.

(Sgd.) J.C. Smith,
Commissioner.

**1975 AIR CANADA / CALFAA NEGOTIATIONS
MEMORANDUM OF AGREEMENT
(Subject to ratification)**

ARTICLE 1 — DEFINITIONS

New Article — 1.02.10

Definition: Co-Terminal — Those airports serving the same metropolitan area into which the Company operates on a scheduled basis.

ARTICLE 2 — ASSOCIATION RECOGNITION / SCOPE OF AGREEMENT

Article 2.01

Amend to read:

Association Recognition: The Company recognizes the Association as the sole bargaining agent for all Cabin Personnel employed by Air Canada in accordance with the certification issued by the Canada Labour Relations Board under the provisions of the Canada Labour Code, unless directed otherwise by the Canada Labour Relations Board from time to time. These Cabin Personnel are responsible for performing and

assisting in the performance of all en route cabin service to passengers and ground service to delayed or cancelled passengers and the responsibility to apply these services for the safety, welfare, comfort, and enjoyment of passengers.

Article 2.02

Delete

Article 2.03

Change to Article 2.02 and to read as follows:

NON-APPLICATION OF AGREEMENT: This Agreement does not apply to Cabin Personnel on initial induction training.

ARTICLE 14 — DISCIPLINE AND DISCHARGE

Add after 14.05

NOTE: All cases of demotion may be appealed in accordance with the provisions of this Article.

ARTICLE 4 — CABIN PERSONNEL CLASSIFICATIONS

Editorial Change — Delete "NOTE" preceding Article 4.01.

ARTICLE 5 — RATES OF PAY

Article 5.10 Minimum Monthly Guarantee

5.10.01 Add to NOTE:

For the duration of this guarantee Flight Service Director pairings will consist of flying in that classification only. However Purser flying may be added to Flight Service Director Blocks in order to comply with Article B 2.04. This guarantee will be in effect for the duration of this Agreement unless otherwise mutually agreed.

ARTICLE 4 — CABIN PERSONNEL CLASSIFICATIONS

Article 4.03.02 Aircraft Assignment

Add Exception:

- a) A Purser position will also be included in the aircraft complement on DC9-15 Series aircraft.
- b) Where in regard to the Flight Service Director on B-747 CFY Aircraft the configuration and/or service standards are such as to entitle the Company under Article 4.02.02 to not utilize the Flight Service Director, the Company may choose to retain the Flight Service Director and not use the Purser instead.

Article 4.04.02 Aircraft Assignment

To the extent that they are surplus to the maximum Purser requirement in any month an Assistant Purser position will be included in the aircraft complement in the following sequence:

B747	DC8
L1011	B727
DC8L	DC9

NOTE: Assignment preference will be given in the above

sequence to those aircraft with First Class *and* Economy configurations where possible.

ARTICLE 5 — RATES OF PAY

Effective July 1, 1975 all hourly rates will be increased by 14%.

The Company agrees to add a cost of living adjustment of 4.5% to all hourly rates effective November 1st, 1975.

Effective July 1, 1976 all hourly rates will be increased by a further 10%.

L-1011 hourly rates will apply to Flight Service Directors on B-747 CFY aircraft.

Articles 5.03, 5.04 and 5.05

Change In-Charge wage scale as follows effective April 1, 1976.

		Current	Effective Apr. 1/76	Effective Jul. 1/76
Assistant Purser	Level III	\$13.04	\$16.19	\$17.81
	Level III	13.88	16.53	18.18
	Level III	14.58	17.37	19.11
Purser				
B-747, L1011	Level III	13.76	16.39	18.03
	Level III	14.84	17.68	19.45
	Level III	15.65	18.64	20.50
Purser				
DC8, DC9, DC9-15, B-727	Level III	13.76	16.39	18.03
	Level III	14.84	17.68	19.45
	Level III	15.65	18.64	20.50
Purser				
DC8L	Level III	14.31	17.04	18.74
	Level III	15.42	18.37	20.21
	Level III	16.29	19.40	21.34
F/S/D				
L-1011		17.99	21.43	23.57
F/S/D				
B-747		18.63	22.19	24.41

Pursers on all current aircraft except the B-747 and L-1011 where a F/S/D is carried, will receive a premium of thirty cents (30c) per hour in addition to the above rates.

Conversion from the current In-Charge Wage Scale to the above scale will be as follows:

- 1) All In-Charge up to the fourth (4) year of service will be placed into Level I of the revised scale.
- 2) All In-Charge who are in their fourth (4) or fifth (5) year of service will be placed into Level II of the revised scale.
- 3) All In-Charge who are in their sixth (6) or thereafter year of service will be placed into Level III of the revised scale.
- 4) Except as provided in 5 below, all Flight Attendants, who will move into the In-Charge classification after April 1, 1976 will be placed in Level I of the revised scale.

5) Those Flight Attendants currently on the In-Charge waiting list will be placed into the revised In-Charge wage scale in accordance with their years of service in the same manner as outlined in items 1, 2 & 3 above, effective the date on which they move into the In-Charge classification.

6) Where due to change in requirement an In-Charge moves from one classification to another within the In-Charge classification, his rate of pay will remain at the same level in the lower or higher classification.

Article 5.10 Minimum Monthly Guarantee

Editorial Change 5.10.01

Reserve Blockholder — Flight Service Director — 70 hours

Editorial Change 5.10.02

Reserve Blockholder — Purser — 70 hours

ARTICLE 6 — FLIGHT TIME CREDITS

Article 6.02.03

Change to read:

Originates with Deadhead — At Home Base thirty (30) minutes prior to scheduled departure of designated deadhead flight.

— Away from Home Base scheduled departure of designated deadhead flight.

Article 6.03 New Clause

6.03.07 Where a regular blockholder is drafted on a regular or guaranteed day off and reports to the airport for flight duty, he will be credited for one half (½) the duty time involved or a minimum guarantee of four (4) hours, even if no actual flying time results. The greater of such credits shall be applicable.

ARTICLE 7 — EXPENSE ALLOWANCES / UNIFORMS

Article 7.01.01

Add Note: The above provisions are applicable except as otherwise provided under Letter of Understanding 9 — Mirabel.

Article 7.02 — Meal Allowances

Article 7.02.01

Change Breakfast — Departures 0300 to 0930
— Arrivals 0800 to 0930

Add after 7.02.03

Note: The amount of the per diem meal allowance will in no case be less than that provided to other flight crews.

Article 7.03 — Uniforms

Article 7.03.03

Cleaning: Cabin Personnel shall receive a uniform cleaning allowance of eight dollars (\$8.00) per month.

Article 7.04 — New Clause

A check-in/check-out gratuity allowance of one dollar and fifty cents (\$1.50) will be paid where accommodation is provided at a

hotel during a layover except where accommodation is provided under Article B5.05.04.

Article 7.05 — New Clause

Special Grooming Allowance: Cabin Personnel shall receive a Special Grooming allowance of five dollars and fifty cents (\$5.50) per month effective July 1, 1975.

ARTICLE 8 — VACATION & STATUTORY HOLIDAY PERIODS

Article 8.03 Statutory Holiday Periods

Change to read:

An employee shall accumulate one (1) calendar day in lieu of each Statutory Holiday in any vacation year. Where the employee is off the payroll for fifteen (15) or more days during the thirty (30) days immediately preceding a Statutory Holiday, he shall not be credited with that holiday.

The Statutory Holidays are defined as:

New Year's Day	Labour Day
Good Friday	Thanksgiving Day
Victoria Day	Remembrance Day
Dominion Day	Christmas Day

ARTICLE 9 — SICK LEAVE

Article 9.01 Entitlement

An employee shall receive one (1) day of Sick Leave at the beginning of each calendar month of service.

- .01 Where an employee commences service during a calendar month the first day of Sick Leave accumulation shall commence in the following month.
- .02 For the purpose of this Article "day" shall mean a twenty-four- (24) hour period or part thereof.

Article 9.02 Accumulation

An employee shall accumulate all unused Sick Leave at the end of each year up to a maximum of one hundred and twenty-five (125) days.

TRANSITION: The current Article 9 — Sick Leave will remain in effect until December 31, 1975 at which time accumulated days will be carried forward to January 1, 1976 as outlined in Article 9.02 — Accumulation. From that date forward the earned day of Sick Leave per calendar month shall apply.

In order to effect the transition of the above sick leave clause from 1975 to 1976, employees will receive three (3) days Sick Leave on January 1st for the first quarter of 1976 and will begin to accumulate one (1) day per month from April 1, 1976 onwards.

ARTICLE 11 — PROBATION

Article 11.02

Amend to read as follows:

If an employee is absent from normal flying duties in excess of

seven (7) days during his probationary period the Company may extend his probationary period by an equivalent number of days.

ARTICLE 15 — ARBITRATION

The Association and the Company agree in principle to the appointment of a permanent arbitrator subject to finalization of details between the two parties.

ARTICLE 16 — SENIORITY

Article 16.04

Change to read:

An employee transferred outside the scope of this Agreement to a position in which the maintenance of competency, as defined by the Company, and the performance of Cabin Personnel duties is required, shall retain and accrue seniority.

Delete "NOTE"

General:

Agreed in principle to payment of Association dues as a condition for full accrual of seniority by personnel temporarily outside the scope of the Collective Agreement upon re-entering a classification covered under the terms of this Collective Agreement.

ARTICLE 19 — GENERAL

Article 19.11.01

Delete

Article 19.14

The Company agrees to compensate those Cabin Personnel who incurred salary losses with respect to B10.01 during the National Airport firemen's strike in April 1974. The Association considers the above a satisfactory resolution of the dispute and agrees to withdraw all legal action against the Company with regard to this dispute.

ARTICLE 20 — DURATION OF AGREEMENT

Article 20.01

This Agreement shall become effective on July 1, 1975 and shall continue in full force and effect until June 30, 1977, subject to variation by mutual agreement in writing between the parties.

ARTICLE 5.10 Minimum Monthly Guarantee

5.10.05

Additional Credits

Add reference to thirty (30c) per hour premium for all hours flown as Purser on the following aircraft DC-8, DC-9, DC9-15 and B-727

5.06

Overseas And Language Premium

Change to read Overseas, Language and In-Charge Premiums

5.06.03

New Clause

Where a purser operates as In-Charge on any current Aircraft

other than the B-747 and L-1011 he will be paid thirty cents (30c) per hour for each hour credited on such flights.

ARTICLE B2.03

Change to read:

Flying time on a Block incorrectly indicated as a result of error in the typing, addition and/or printing shall be subject to correction for pay purposes and limitations.

B5.02 Duty Period Limitations

Deadhead Duty Period commences

- at Home Base — 30 minutes prior to scheduled departure of designated deadhead flight
- away from Home Base — Scheduled departure of designated deadhead flight

B5.05 Rest Periods

Layover Station: The minimum scheduled rest periods at layover stations are:

- .01 Legal Rest Periods: A layover rest period to be legal must be of the following minimum duration:
 - Sleeping Accommodations at/near Airport 9 hours
 - Sleeping Accommodations away from Airport 10 hours
 - Return from overseas flight to continental North American Layover points 12 hours
 - Canada - London (Eng.) turnaround 12 hours
- .02 Minimum Scheduled Rest Period: The minimum *scheduled* rest periods at a layover station (which may be reduced in an irregular operation) are: After any *Scheduled* Duty Period of twelve (12) hours or more 12 hours
Between any two (2) consecutive *scheduled* duty periods that total twenty (20) hours or more 12 hours

Note: Where the minimum scheduled rest period is reduced as a result of an irregular operation the legal rest periods outlined in B5.05.01 will apply.

(new) 5.05.05

General — Where accommodation is available and suitable, rest periods will normally be provided at a downtown hotel if the layover is fourteen (14) hours or more.

B5.06 Guaranteed Days Off

B5.06.01 Regular Blockholders: 12 days (288 hours) per month

- .01 Guaranteed Days Off where scheduled shall commence at the termination of the last duty period at Home Base.
- .02 Each period of Guaranteed Days Off shall be scheduled with a Minimum Duration of two (2) days (48 hours).
- .03 Where it is not possible to schedule all Guaranteed Days Off in periods of forty-eight (48) hours or more, two periods *only* of twenty-four (24) hours may be scheduled.

B6.02 Displacement

A Regular Blockholder may be displaced from a flight or flight sequence in reverse order of seniority subject to classification

and language requirements to permit the Company to assign an employee who was removed under Article B6.01 — Removal or to assign a supervisor to that flight.

- .01 Notice: As much advance notice as possible will be provided in all displacements.
- .02 Re-Assignment: A regular Blockholder who has been displaced will be subject to Article B6.03 — Re-Assignment.

Where a Regular Blockholder is removed to allow a Supervisor to operate in his place he will not be subject to Article B6.03 — Re-Assignment, except that he may be required to operate that portion of the sequence of flying from which he was removed and which will not be operated by the Supervisor.

Note: When a Regular Blockholder is displaced for any reason other than those listed above, he shall not be subject to Article B6.03 — Re-Assignment.

B6.04 Credits

Editorial Change: In line 4 add words "and premiums" following "block credits."

B8.06 Reserve Airport Standby

- .02 Standby limitation: A reserve blockholder may be required to report to the airport for standby duty for a maximum of four (4) consecutive hours. Where no flight assignment is made within this period, he shall be released for a legal rest period.

NOTE: The Reserve Blockholder may be assigned during this four- (4) hour period to a flight departing during or after the four- (4) hour period.

B11.06 Trip Exchanges

Trip exchanges shall be allowed in order to permit blockholders to operate flights in their new block month for which they would otherwise be illegal providing they meet the qualifications and legalities outlined in B11.03.

B6.04 (New)

Where an employee is scheduled to deadhead to his destination he may be required to operate his deadhead flight or any other flight to his initially scheduled deadhead destination in that same duty day providing he is legal in all respects.

B6.03.04

In the event of an irregular operation an employee subject to Article B6.03 may be required to operate his return to home base deadhead flight, whether scheduled or non-scheduled, on a day not originally scheduled as a duty day in his block provided he is assigned to a flight operating on the day on which he would have deadheaded. Assignment will be restricted to his original destination and subject to classification/language requirements in reverse order of seniority.

Delete L.2.05

B3.08 Block Overlap Changes

- .04 Overseas cut off at Home Base — Cabin Personnel will not

be scheduled or assigned through Home Base following an Overseas flight.

Revision to:

B6.03 Reassignment

An employee may be contacted on any day prior to his scheduled reporting time and be assigned a flight or flight sequence providing the flight or flight sequence operates within the initially scheduled calendar days in his block.

An employee may be contacted at any time after his call-in time but can only be assigned to a flight departing two and one half (2½) hours after the call-in time established at each Base on each scheduled duty day.

Where an employee's originating or through flights are affected by an irregular operation where the employee has reported for flight duty, he may be required to remain available for up to one (1) hour for reassignment. The employee must be released immediately upon being reassigned provided that the reassigned flight is not a continuation of the same duty day. Where a flight assignment is made the employee may be assigned inside or outside the one- (1) hour period.

NOTE: An employee will not be held at the airport unless there is reasonable assurance that he will be advised of reassignment within the one (1) hour period.

ARTICLE B.3 Block Revisions and Changes

B3.08.03

Change "NOTE" to read:

Overlap flights may be blocked up to the last arrival at Home Base in the first calendar day of the new block month on which they come through Home Base.

ARTICLE B.8 Reserve

B8.04.03

Change second paragraph to read:

Where the flying time is approximately the same, that is within a two- (2) hour parameter, the principle that Guaranteed Days Off should not be flown into will apply. However in order to maximize utilization of reserve Cabin Personnel and considering the two- (2) hour time parameter, employees may be scheduled to operate into days off other than those seven (7) consecutive days off designated not to be flown into.

B4.02.03

New Clause

- .06 Where a regular blockholder will be on vacation for the full month his block will be awarded to the next most senior qualified employee.
- .07 An employee who is on vacation may bid a Supplemental Block where his vacation continues into the Supplemental Block for no more than three (3) days and he will be able to operate the entire Supplemental Block.

B4.02.03

Award Sequence

- .05 *Delete words* "calculated to include the effect of a block overlap from the previous month."

Define that Overseas means 51% or more of the flying in that block is Overseas flying.

After B4.03 add:

Errors in the award of Supplemental Blocks may be rectified providing the parties involved can be advised prior to the first blocked flight of those blocks affected.

B3.07

Blocked Charter/Regular Pairing Revisions: Where a Charter or regular pairing or part thereof in a Regular or Supplemental Block is cancelled or rescheduled outside the originally scheduled calendar days, the Blockholder shall have the option to operate the rescheduled pairing provided he is legal in all respects. If he elects not to operate the rescheduled pairing or if the pairing is cancelled, the following procedure shall be applicable:

- .01 A replacement charter or regular pairing may be included as part of the block on his scheduled calendar days on his original block.
- .02 If the last replacement charter or regular pairing is cancelled or altered, the Blockholder affected shall be subject to Article 6.03 — Reassignment.
- .03 Where the charter or regular pairing is altered within the original scheduled calendar days he will operate the altered pairing.
- .04 The Blockholder affected by a charter or regular pairing cancellation or alteration will receive the greater of the scheduled credits of the highest of the blocked or substitute pairings or the actual credits earned.

NOTE: This procedure shall apply on a continuing basis through the month where the replacement pairings are affected.

If no replacement charter or regular pairing is included in the block the days prior to the originally scheduled operation, the employee shall be subject to B6.03 — Reassignment.

MISCELLANEOUS AGREEMENTS

- M1.05.02 Include in Agreement items 108.05 AMHQ meeting
- M1.05.03 Include in Agreement items 108.05A AMHQ meeting
- M1.06.01 Include in Agreement items 108.06 AMHQ meeting
 - .02 Include in Agreement items 108.06 AMHQ meeting
 - .03 Include in Agreement items 108.06 AMHQ meeting
- M.13.02 Include in Agreement items 108.13 AMHQ meeting
- M.13.03 Flight Service Director/Purser move-up
Flight Service Director/Purser Draft Procedure
- M.13.04 Include in Agreement items 118 AMHQ meeting
- M.13.05 Include in Agreement item 111A.04 and 111A.05 AMHQ meeting
- M.13.06 Include in Agreement item 144.01 AMHQ meeting

NEW CLAUSE

B4.06 Long term block vacancies:

Any regular or supplemental block that becomes available

during the first seven (7) days of the block month may be awarded as follows:

- .01 To the senior qualified employee on reserve who had bid supplemental blocks, providing the employee would be legal in all respects to operate the remainder of the block.
- .02 If there is no employee on reserve who had bid supplemental blocks, award to the senior on reserve who was assigned reserve account insufficient bids providing he would be legal in all respects to operate the remainder of the block.

If the employee is not legal to operate the remainder of the block, the block will be cancelled and all flights placed onto the open flying list.

NOTE: *Employee Legality Definition:*

An employee is legal providing the remaining flights in the block plus accrued flying operated while on reserve total between sixty-five (65) and seventy-five (75) hours.

ARTICLE 5 — RATES OF PAY

5.10 Minimum Monthly Guarantee

5.10.06

- .01 Where a Regular Blockholder fails to report for flight duty he will not be paid for the flight missed and not be removed from the payroll but his minimum guarantee will not apply for that month. Where no disciplinary action is taken as a result of failure to report for flight duty, the employee will be permitted to bid open flying up to the Maximum Monthly Limitation.
- .02 Where a Reserve Blockholder fails to report for an assigned flight or standby duty or is unavailable while on reserve duty he will be removed from the payroll on the day involved if not flown on that day. The removal will continue until the next scheduled duty day and his minimum guarantee will be reduced by 2:10 hours for each day but the maximum limitation will not be reduced.
- .03 Where a Regular Blockholder chooses to take a Leave of Absence without pay for Personal Reasons, minimum guarantee will not apply for that month and he will be paid only for those flight time credits earned.

ARTICLE 20 — NEW CLAUSE

The Company and the Association have agreed to include a CALFAA representative on the Air Canada Pension Committee.

Letter of Understanding 1 — Seniority Integration

L1.07

Change to read:

After May 1, 1974 vacancies on the In-Charge list will be filled by Cabin Personnel with a minimum of one (1) year seniority.

L1.21

Change to read:

After May 1, 1974 Cabin Personnel who will have two (2) years seniority and have been awarded or assigned a block in an

In-Charge position for twelve (12) months by December 31 of that year shall be eligible to bid for vacancies in the Flight Service Director classification.

L1.22

Change to read:

Flight Attendants who will have two (2) years seniority by December 31 of that year will be eligible to bid for the position of Purser/Assistant Purser.

LETTER OF INTENT — SENIORITY INTEGRATION

1. The Company and Association are in agreement that the provisions of Letter of Understanding No. 1 have created problems of great complexity. Following an in-depth analysis of the subject, the parties have concluded that a solution to current problems can only be formed in an atmosphere and through a mechanism that is free from controversy and allows for constructive input by all parties.

Consequently, the Association and the Company have agreed to the establishment of a Working Committee that will include nominees from both the Company and the Association as well as a third independent party as Chairman. Such party is to be qualified in matters of mediation and arbitration.

His function will be to assist the Company and the Association to develop the most equitable solution to current problems. The Committee will endeavour to develop the kind of solution that will not adversely affect the employees nor compromise the Company and/or the Association's commitments in the current Collective Agreement.

The parties agree to form such a Working Committee by October 30, 1975.

The parties further agree to have the Committee available for direct representation by the membership prior to the end of 1975. It is understood that any employee covered under this Collective Agreement will have the opportunity to present his position on Letter of Understanding No. 1 and/or suggest alternative approaches.

Following the above representations the Committee will commence developing alternatives. It is understood that final recommendations require full agreement by all three parties represented on the Working Committee.

These will be submitted to a total CALFAA membership referendum vote. That solution which receives 50%+1 vote will be the one that is to replace Letter of Understanding No. 1. The parties agree to include the current Letter of Understanding No. 1 in such a referendum vote.

LETTER OF INTENT — BLOCK RULE REVIEW COMMITTEE

The parties have agreed to establish a joint Block Rule Review Committee that will carry out an in-depth analysis of current Block Rules on an ongoing basis.

LETTER OF UNDERSTANDING 2 — BILINGUAL BLOCK POSITIONS

L2.01

Preamble: The current Agreement between the parties regarding the provision of service to passengers in both Official Languages in accordance with Company Policy and the requirements of the Official Languages Act through the utilization of Montreal Base Cabin Personnel has resulted in a

general deterioration in Cabin Personnel working conditions at all Bases through illogical flight pairings that results in increased Domestic layovers, Multiple Day Cycles, split crews to ensure bilingual coverage, Montreal-Toronto turnarounds, tag ends, etc.

The continuation of the present Agreement will necessarily result in a further significant deterioration in Working Conditions even with no increase in Bilingual coverage.

Therefore it has been agreed to implement designated Bilingual Block positions at all Bases and a system of training in the Official Languages to enable Bilingual coverage to be provided through logical flight pairings. This will result in substantial improvement in Cabin Personnel working conditions referred to above and the elimination of domestic split crews where these were caused to ensure bilingual coverage.

L2.02

Bilingual Coverage Requirements: Bilingual Coverage may be provided up to the following maximum: (No change).

LETTER OF UNDERSTANDING 3 — PROPELLER AIRCRAFT

Delete

LETTER OF UNDERSTANDING 4 — CREW REST AREA — B747 AIRCRAFT

L4.01

In accordance with the following conditions a crew rest area will be designated on board the B747 aircraft that will ensure a degree of privacy.

L4.02

First class revenue seats 8J and 8H will be established on a guaranteed basis as the designated crew rest area on all flight segments of five (5) hours duration and over and this area will be curtained to ensure privacy.

L4.03

In addition on flight segments of less than five (5) hours duration either first class revenue seats 8J and 8H or economy revenue seats 55D, 55E and 55F will be retained as a crew rest area with preference given to first class seats 8J and 8H. Any of the first class or economy seats described will be made available to revenue passengers or passholders only after all other first class and/or economy seats have been filled.

L4.04

The Company further will discuss with the Association the necessity for the provision of the seats and priorities identified in L4.03 as a crew rest area on flight segments of under five (5) hours duration either where a long duty period is involved or where multiple flight segments are scheduled within a duty period.

LETTER OF UNDERSTANDING 7 — OPERATIONAL DISRUPTIONS

L7.00

Preamble: This Letter of Understanding is intended to provide administrative and technical procedures that will be implemented in the event the Company is involved in operational disruptions for reasons outlined in L7.01. Both parties agree that the provisions of Letter of Understanding 7 will not be

applied for the purpose of resolving disputes arising out of picketing and related activities associated with work stoppages of any kind.

L7.01

Operational Disruption - Definition: An operational disruption is a situation where the revenue passenger operations of the Company are reduced/suspended for reasons beyond its control, caused by:

- a work stoppage, whether internal or external, directly affecting the operation;
- any situation related to the safety of passengers or employees;
- government or manufacturers' directives or national emergencies;
- maintenance of operating equipment;
- supply shortages resulting in grounding of aircraft.

L7.02

Operational Disruption — Categories: An operational disruption shall be defined as minor or major where the revenue passenger operations of the Company are reduced, calculated on the basis of Cabin Personnel hours flown versus normal scheduled Cabin Personnel hours as follows:

- .01 Minor: 10% to 25%
- .02 Major: 25% or more.

NOTE: Cabin Personnel Hours: Cabin Personnel Hours will be calculated on the basis of the block to block flight time on each aircraft type multiplied by the average crew complement over the past 12 months preceding the declaration of the operational disruption.

L7.03

Minor Operational Disruption: In the event of a minor operational disruption, the provisions of the Collective Agreement will remain in full force and effect for that month.

- .01 However, it is recognized that in situations where the minor disruption at any base(s) precludes the normal utilization of Cabin Personnel under the provisions of Article B6.03 — Reassignment, on revenue passenger operations from that base, the Company shall have the ability to deadhead or ferry the Cabin Personnel one day prior to their scheduled duty days and deadhead or ferry them home one day after their scheduled duty days. In the event the Company is unable to deadhead or ferry Cabin Personnel or the employees are unable to deadhead one day prior to their scheduled duty days, Article B6.03 — Reassignment will still apply.

NOTE: In the event a crew is drafted under the provisions of L7.03.01 the current draft rules outlined in Article B9 — Draft, specifically draft to home base, will apply.

- .02 Month Overlap: Where a minor disruption continues into a second month the Company may publish both normal regular, reserve and supplemental blocks and blocks based on reduced operation.

- .01 An employee may be required to operate in a lower classification. Where assigned to a lower

classification he shall be credited at the lowest aircraft rate within his regular classification.

.02 Cabin Personnel not awarded blocks as a result of the reduced operation will be placed on off duty status with the beginning of that block month.

.03 Cabin Personnel awarded reserve blocks based on the reduced operation will be awarded blocks consisting of four (4) days reserve and three (3) days off. All normal reserve conditions shall be applicable with the exception that two (2) periods of three (3) days off will be designated on an alternate basis as absolute Guaranteed Days Off.

L7.04

Major Operational Disruption: Once a major operational disruption is declared and in effect the following special provisions shall be applicable:

.01 The Company may place Cabin Personnel surplus to requirements at any base on off duty status in reverse order of Cabin Personnel seniority by base.

.02 Blockholders whose blocks are affected as a result of this disruption will be placed on reserve blocks subject to L7.03.04.

Cabin Personnel assigned to reserve blocks under these conditions will be paid the greater of the original scheduled block credits or flights actually flown within that month.

NOTE: A block disruption is defined as a block where for at least four (4) consecutive duty days flights or flight sequences are cancelled or altered.

.03 An employee may be required to operate in a lower classification. Where assigned to a lower classification he shall be credited at the lowest aircraft rate within his regular classification.

.04 Month Overlap: Where a major operational disruption continues over a month end the normal regular, reserve and supplemental blocks shall be published for bid among Cabin Personnel including those on off duty status. In addition a set of 4 — 3 reserve blocks (as per L7.03.04) will be published for bid for the duration of the disruption for those Cabin Personnel retained on the payroll.

.05 Cabin Personnel on Leave of Absence or Sick Leave who are available to return after the initial off duty status will be recalled providing their seniority would have entitled them to remain on the payroll effective with the commencement of off duty status.

L7.05

Off Duty Status: The Company will consult with the Association in advance of placing any employee on off duty status.

.01 Notice: Where the Company places Cabin Personnel on off duty status under the provisions of this Letter of Understanding a minimum of forty-eight (48) hours advance notice shall be provided to each employee placed on off duty status.

— The effective date of off duty status will not be earlier than the effective date of the disruption to the operation.

— Notice may be provided verbally and confirmed later in writing.

— Where the Company is unable to contact an employee at his home address to provide this notice, notice shall be provided by telegram.

.02 Effective Date: Once notified Cabin Personnel shall be placed on off duty status as follows:

— At 0001 hours on the calendar day after the forty-eight (48) hours notice has expired.

— At 0001 hours after legal rest on arrival at home base if on duty away from home base and notified prior to departure or at layover point.

— At 0001 hours on the day after the termination of a scheduled vacation period if notified prior to or during vacation.

— Where notice has been received and has expired prior to the effective date of the operational disruption, the employee so affected will remain on the payroll twenty-four (24) hours following the effective date of the operational disruption or twenty-four (24) hours after termination of legal crew rest, whichever is later.

.03 Conditions: Once off duty status is implemented the following conditions shall be applicable. Cabin Personnel on off duty status shall be handled as follows:

— Sickness: Sick leave credits do not apply.

— Vacation: Will be returned to payroll for scheduled vacations.

— Regular holiday accumulation shall continue during off duty status. Statutory Holidays will be handled in accordance with Article 8.03.

— Pay progression will be handled in accordance with Article 5.12.04.

— Insurance and Pension Premiums: The Company will maintain its share of pension and insurance premiums and will also maintain the applicable employee share. The employee share will be subject to reimbursement by payroll deduction following the employee's return to the payroll. For purposes of calculating benefits during the employee's absence from the payroll, average earnings from the three (3) months preceding off duty status shall be used.

— Cash Advances: Cabin Personnel shall have an option to take a cash advance of two hundred and fifty dollars repayable on their return to on duty status in equal amounts over four (4) pay periods.

— Point of Contact: Cabin Personnel on off duty status must advise the Company of a current point of contact.

L7.06

Resumption of Normal Operations:

.01 Recall: Recall from off duty status shall be in order of seniority by Base on the basis of operational requirements.

Cabin personnel shall be contacted verbally at their last available point of contact and advised of their recall. If no contact can be made notice by telegram will be sent.

.02 Employees will be placed back on the payroll as of the date of normal resumption of operation and if they are available for duty on that day.

.03 Employees who cannot be contacted under the terms of L7.06.01 will be placed back on the payroll at 0001

following the date of contact or earlier if they are available to pick up their blocked flight on the day of contact.

- .04 Employees who are unable to report for duty on the date required will be placed back on the payroll as follows:

Blockholders — at 0001 of their first scheduled duty day for which they are available.

Reserve — at 0001 of their first scheduled reserve day for which they are available.

- .05 Employees who are available for duty but are unable to pick up their blocked flights for any reason shall be subject to Article B6.03 — Reassignment.

- .06 Cabin Personnel are expected to be available to report for duty within forty-eight (48) hours of resumption of operations. Cabin Personnel who do not report within forty-eight (48) hours from time of notification may be required to substantiate their late reporting.

L7.07

Resumption of Normal Blocks, Application of Pay:

- .01 Where an employee under L7.03.02 Month Overlap resumes his normal block from his reduced operation block, he will be paid the greater of either block.
- .02 Where an employee under L7.03.02 or L7.04.04 Month Overlap resumes his normal block from his reserve block he will be paid the greater of his reserve minimum guarantee applicable to his regular classification or flights actually flown.

L7.08

Long Term Block Disruptions: In the event that any operational disruption continues or appears to be likely to continue in excess of one (1) month, the Company and the Association shall review the desirability of implementing the provisions of Article 17 — Reduction of Forces and Recall from layoff.

L7.09

General: The Company and the Association will discuss the situation through the period of any operational disruption to determine the appropriateness of the operational rules outlined above and may make special arrangements to adjust to the situation within the context of Article B1.01 — Objectives.

LETTER OF UNDERSTANDING 9: DORVAL/MIRABEL CO-TERMINAL OPERATION

L9.01

Preamble: It has been agreed that the Mirabel and Dorval Airports will be operated on a Co-Terminal basis. That is the two Airports will be considered as one and all rules and agreements currently in effect in the CALFAA/Air Canada Agreement, including the Block Rules will apply under this concept unless otherwise specified in this Letter of Understanding.

L9.02

Blocks: Regular, Supplemental and Reserve Blocks will be prepared and administered from the Dorval Base Office.

- .01 Regular Blocks: To the degree possible and consistent with normal blocking principles flights originating/

terminating or transiting the Mirabel Airport will be blocked separately. Domestic and/or Southern flights may be used as "fillers" to ensure maximum block hours.

- .02 Supplemental Blocks: Supplemental blocks shall be constructed from any available open flights after the Block Award in accordance with Article B2.07 of the Block Rules.

- .03 Reserve Blocks: Reserve Blocks will be constructed in accordance with Article B2.07 and shall be common between the two (2) Airports.

L9.03

Bidding & Awarding: Bidding and awarding of blocks shall be administered at the Dorval Base Office and shall be subject only to Article B4 — Bidding & Awarding.

L9.04

Rest Periods: Any employee arriving at Dorval and departing from Mirabel or vice-versa, shall have a minimum legal rest period of no less than ten (10) hours even if the layover hotel is considered at or near the airport.

L9.05

Reassignment: The provisions of Article B6.03 — Reassignment will apply except that Cabin Personnel holding blocks containing primarily Mirabel flights will be reassigned to Mirabel flights as a first preference and Cabin Personnel holding blocks containing primarily Dorval flights will be reassigned to Dorval flights as a first preference. Where this is not possible they will be reassigned to flights originating at either Airport in accordance with Article B6.03 — Reassignment.

L9.06

Open Flying: Cabin Personnel will be permitted to bid open flying departing from either Mirabel or Dorval Airports subject only to the provisions of Article B7 — Open Flying.

L9.07

Draft: Cabin Personnel will be subject to the draft procedures outlined in Article B9 — Draft for flights departing from either Mirabel or Dorval Airports.

L9.08

Trip Exchanges: Cabin Personnel will be subject only to the conditions outlined in Article B11 — Trip Exchanges.

L9.09

Duty Period Limitations: Where an employee's duty period originates at one airport and terminates at another within the Co-Terminal concept of Dorval and Mirabel, the duty period limitations will be as follows:

- .01 Maximum Scheduled Duty Period: A duty period will not be scheduled to exceed thirteen (13) hours and thirty (30) minutes exclusive of any ground travel time required between the Co-Terminals on completion of a trip or trip sequence.
- .02 Scheduled Deadhead to Home Base: A duty period may be scheduled for up to fifteen (15) hours and thirty (30)

minutes only to complete a deadhead to Home Base provided the flight duty was scheduled within fourteen (14) hours. Home Base in this context is defined as either Dorval or Mirabel Airport.

- .03 **Absolute Maximum Duty Period:** Where a duty period is projected to exceed thirteen (13) hours and thirty (30) minutes, exclusive of any ground travel time required between the Co-Terminals on completion of a trip or trip sequence, an employee will not be required to remain on duty in excess of thirteen (13) hours and thirty (30) minutes. If the actual arrival time at either of the Co-Terminals is after thirteen (13) hours and thirty (30) minutes, he will be released from duty.

L9.10

Flight Time Credits: Where an employee's flight sequence originates at one airport and terminates at another within the Co-Terminals or where an employee's duty day involves a departure and arrival at both airports he will be paid as follows:

- .01 **Flight Sequence Termination:** Where a flight sequence originates at one airport and terminates at another within the Co-Terminals the duty day will be extended by a maximum of thirty (30) minutes where the employee is required to return to the airport where the flight sequence originated.
- .02 **Deadhead Between Co-Terminals:** Where an employee is required during the course of a duty day to travel from one terminal to the other he will be credited fifteen (15) minutes deadhead time for pay and limitation purposes for each such deadhead.

L9.11

Credit Calculation: Where an employee is subject to the conditions outlined in L9.10 the provisions of Article 6.02 Credit Calculations and Article 6.03 Flight Time Credits and Guarantees will apply.

L9.12

Claim for Flight Time Credits: Where an employee under L9.10.01 Flight Sequence Termination is required to return to his airport of origination he will be required to claim credits if applicable. Where an employee is not required to return to his airport of origination no credits under L9.10.01 will be applicable.

NOTE: Cause for an employee being required to return to his airport of origination is defined as being required to return to pick up the employee's automobile or being required by the Company to return to the originating airport.

L9.13

Standby Reserve: Where a Reserve Blockholder is required to report to an airport for possible flight coverage and is subsequently required to report to another airport within the Co-Terminals, his duty day will commence from the report time at the original airport and the provisions of L9.09 will apply.

NOTE: Where the employee is not assigned to a flight within three (3) hours and thirty (30) minutes of his report time at the original airport, he will be released from further standby duty in accordance with Article B8.06 and shall be credited with two (2) hours for pay and limitations.

L9.14

Transportation: Where an employee's trip sequence or duty day involves both airports of the Co-Terminal, transportation will be provided as follows:

- .01 **Layover:** Where an employee terminates a duty period at one airport and originates a duty day at another airport of the Co-Terminals, current transportation policies from the airport to the hotel and back will apply.
- .02 **During the same Duty Period:** An employee who is required to deadhead from one airport to another within the Co-Terminals during a single duty period will be provided with expeditious transportation.
- .03 **Termination of Duty Day:** An employee who terminates his duty period or trip sequence at an airport other than his airport of origination in the Co-Terminal will be provided with transportation to the originating airport as follows:
 - .01 **Required to return to Originating Airport:** An employee who is required to return to his airport of origination as outlined in L9.12 NOTE will be provided with Public Transportation.
 - .02 **Waiting Period:** Where the Company is unable to provide public transportation within forty-five (45) minutes after flight arrival, the employee will be provided with special limousine service to return him to the originating airport as required in L9.12 NOTE.

L9.15 Transportation Allowance:

- .01 An employee whose duty day originates or terminates at YMX and who requires public transportation will be issued with a transportation voucher on request. The vouchers will be valid for use on the public transportation companies serving Mirabel from Dorval, Downtown Montreal and Laval. Employees using these vouchers will not be entitled to transportation allowances as specified under Article 7.01.01.
- .02 Employees using other forms of transportation than those specified under Article L9.15.01 will be entitled to an allowance of \$1.25 per one-way trip plus 50¢ in recognition of highway tolls.
- .03 .01 In the event the Company establishes a separate base at Mirabel during the term of the current collective agreement the Company and the Association will negotiate the implementation of the established relocation allowance. This allowance will be applicable to employees from Dorval Base who will relocate themselves within the specified radius of the YMX airport after the implementation of that allowance.
- .02 This allowance will take effect only at the termination of this collective agreement or the opening of a separate base at Mirabel whichever occurs later unless mutually agreed to otherwise by the Company and the Association.
- .03 Allowances in effect under L9.15.01 and L9.15.02 will cease to apply in the event the relocation allowance is implemented.

L9.16

Administration: For the purposes of routine day to day administration, supervision and scheduling, the Dorval Base Office will be considered the administrative office.

L9.17

General: Both the Company and the Association will commence joint discussion on those aspects of the Co-Terminal operation that pertain to the provision of the current agreement and the block rules three (3) months prior to any major changes in the method of operations.

L9.18

This letter of understanding will be in force for a period of one (1)

year commencing with the date of operation of the Mirabel International Airport. This period may be extended by six (6) months subject to mutual agreement between the two parties. The Company reserves the full right to change the method of operation from that of a Co-Terminal Base as constituted in this letter of understanding to a separate Mirabel Base at any time after the expiration of this letter of understanding. Should Letter of Understanding 9 be cancelled during the term of this Collective Agreement all provisions of this letter will cease to apply with the exception of Article L9.15.01 and L9.15.02 which will continue to remain in force until the expiration of this agreement.

Report of the Conciliation Commissioner appointed to deal with a dispute involving Air Canada and Canadian Air Line Employees' Association

The Conciliation Commissioner appointed by the Minister of Labour to deal with this dispute was Duncan J. Jessiman, Q.C., of Winnipeg. His report was received by the Minister in October.

I was appointed on July 8, 1975, and by agreement between the parties from that date until September 20, 1975, I attempted to assist the parties in entering into a Collective Agreement.

The first Collective Agreement between the parties which was entered into (after an 81 day strike, back in 1973) was for a period of approximately two years, and was to continue in full force and effect until August 24, 1975. Throughout this report I shall refer to that first Collective Agreement between the parties as "the First Collective Agreement."

Article 20.03 of the First Collective Agreement provides:-

"This Agreement shall remain in full force and effect until superseded by another Agreement or until all the requirements of the prevailing federal laws have been met and no agreement has been reached."

The parties agreed that I should hear evidence on hours of work, wages and the rating plans up to Friday the 26th day of September, and then be given until Thursday, the 9th day of October, 1975, to report to the Minister.

Section 180(1)(iii) of the Canada Labour Code provides:-

"(1) No employer shall declare or cause a lockout and no trade union shall declare or authorize a strike unless -

(a) seven days have elapsed from the date on which the Minister -

(iii) received the report of a Conciliation Commissioner....pursuant to Section 168."

As the report will be received by the Minister on the 9th day of October, 1975, a lockout or strike could be declared and authorized at any time after the 16th day of October, 1975.

Although this report will show that some success was achieved in bringing the parties together in respect to some provisions of a Collective Agreement, I must reluctantly report that I failed in getting them to agree to all the terms of a Collective Agreement.

Hopefully, this report will either be accepted by both parties, or at least used as a basis for arriving at a new Collective Agreement, without the necessity of either a lockout or a strike.

The history of the relationship between these two parties is to say the least, appalling. As stated earlier, the first Collective Agreement

was reached after an 81 day strike and included a Letter of Understanding No. 3 which provided for a joint committee on job definitions and ratings. There were, and are, approximately 330 different job descriptions for approximately 450 employees. Letter of Understanding No. 3 provided that a joint committee would be formed within two months of ratification, and would conclude its review within another six (6) months thereafter.

It also provided that -

"In those instances where the Joint Committee cannot reach agreement in reclassification of a particular position, the dispute will be submitted to a single Arbitrator whose decision will be binding."

After the Committee had completed its review, it had not agreed on a definition for any one of the 330 jobs. As both parties were of the view that this would necessitate 330 separate arbitrations, the parties continued to try to solve their difficulties by continued negotiation throughout the whole term of the first Collective Agreement. At the time that we first met in early July 1975, the parties were still unable to reach agreement in respect to any of the job descriptions. Although I, together with both the bargaining committees tried for over a period of almost four weeks to resolve this question of job descriptions, it was apparent that these two particular parties, being represented by the personnel of their present committees, would never reach agreement in respect to job descriptions.

In retrospect, I think both parties should have agreed some 18 months ago to have some third party (or parties) determine the matter for them. They had already agreed that a dispute in respect to reclassification of a particular position would be submitted to a single arbitrator whose decision would be binding. As they could not agree on any description, the principle of having a single arbitrator settle the dispute should have been invoked, not by having 330 arbitrations as the parties suggested, but by having one arbitrator settling the whole matter once and for all. I blame both parties for this, and the ones who suffered the consequences of both parties' stand on this issue, were the very people for whom the Collective Agreement was meant to benefit, namely, the employees.

The difficulty as I viewed the situation was that the Union members of the Committee refused to provide the Company with job descriptions, as they said, with some justification, that it was up to Management to determine the contents of each and every particular job. When Management did provide descriptions, unfortunately, at first there was no employee or Union input in arriving at proper descriptions. When the Union considered the job descriptions provided by management, the Union said the descriptions were far too general and could not be properly rated. The revised versions of the few that the Union provided back to Management however, were more like task lists rather than job descriptions. Management say, and I'm inclined to agree, that if the job descriptions are as detailed

as the Union would want them to be, the Union would be operating the Finance Branch of Air Canada, and not Management.

• The Union Committee attempted to resolve the matter by saying that the Union would accept Management's job descriptions, conditional upon the Company accepting the Union's rating plan. If the factors of the Union plan were properly weighted, so that when one rated a job from the job description provided by Management, the rate of pay was fair and reasonable, this would have made sense. From the figures provided me by Management, this was not the case and although Management agreed to accept the basic principle of the Union plan, it was not prepared to apply the same value to the various factors as the Union.

To settle this matter for the term of a new Collective Agreement, I recommend:-

1. The Company's job descriptions be accepted.
2. The Union's rating plan as adjusted by the Company be accepted.
3. The Company's rating of the jobs be accepted in the first instance.
4. An employee who considers that his job has not been -
(a) properly or sufficiently described, and/or
(b) properly rated,
shall have the right to refer this to a Joint Committee made up of two members of the Union and two members of Management for consideration and decision. If within a reasonable period of time a decision cannot be reached, then the matter be referred to a single arbitrator for final decision, (such person to be selected by the Union and Management and if they cannot agree he shall be selected by the Chief Justice of the Court of Queen's Bench in the Province of Manitoba) and such single arbitrator to be appointed for the purpose of resolving all such disputes throughout the term of the new Collective Agreement.

I shall now set out the success that was achieved in getting the parties to agree to certain Articles of a new Collective Agreement.

When we first met, the parties had agreed to the wording of only one Article, and that is Article 19 respecting checkoff of Union dues. Every other Article, the Preamble and the Letters of Understanding, were all in dispute.

The parties have now agreed to the following, namely:-

Preamble
Article 1 - together with Letter of Understanding No. 3.
Article 3 - Management Rights.
Article 9 - Probation.
Article 15 - Grievance Procedure.
Article 16 - Discipline and Discharge Procedures.
Article 17 - Arbitration.
Article 18 - General Provisions.
Article 19 - Checkoff of Union Dues.

and I attach the same to this report and make them part of it and they are the following Schedules, namely:-

Schedule 1 - Preamble
Schedule 2 - Article 1 - Definitions.
Schedule 24 - Letter of Understanding No. 3.
Schedule 4 - Article 3 - Management Rights.
Schedule 10 - Article 9 - Probation.
Schedule 16 - Article 15 - Grievance Procedure.
Schedule 17 - Article 16 - Discipline and Discharge Procedures.
Schedule 18 - Article 17 - Arbitration.
Schedule 19 - Article 18 - General Provisions.
Schedule 20 - Article 19 - Checkoff of Union Dues.

I now give you my recommendations in respect to those Articles and Letters of Understanding in respect to those articles and Letters

of Understanding in respect to which the parties could not agree and I set out my reasons for making the same.

In all cases, except for Articles 5 and 6, I have attached the same as Schedules to this report and make them part hereof. In the case of Articles 5 and 6, I have merely stated what I think should be agreed to in principle, but have left the exact wording to be worked out between the parties.

ARTICLE 2 is attached hereto and made part hereof and is marked "Schedule 3".

Reasons for Recommending Article 2 as Worded:

The Union's first request to the Company was, as Mr. Kerr stated in evidence:-

"...to ensure that if work was moved to Montreal from Winnipeg, that the Company would recognize those employees who were excluded by certification as scope employees."

He also stated:

"This would have provided protection to the Winnipeg employees, that if work was removed from Winnipeg, they would have been able to transfer to Montreal Headquarters and it would have been covered by the Collective Agreement..."

The above request did nothing to protect the employees against having to move to Montreal if they were going to continue to work with Air Canada. The Union's request was merely asking the Company to recognize by agreement what the Union would ordinarily have obtained by certification from the Department of Labour. It was a protection for the Union as distinct from the employees and did nothing of consequence for the employees as such in Winnipeg.

Mr. Kerr stated later that when the Company disagreed with the Union's request of April 8, the Union modified its proposal. The Union did not modify its proposal, it added to its original request, but did so almost two months after its first request of April 8, 1975.

During negotiations, the Company made it clear to me as Conciliation Commissioner that it was not prepared to agree to the requests made by the Union under Article 2. For approximately three weeks prior to the Union asking me to file a report, I made it abundantly clear on at least three occasions to the Union Committee in the absence of Management that the request of the Union in respect to this Article was not going to be agreed to by the Company. The Union had implied to me that if all other Articles and Letters of Understanding could be agreed to, that a Collective Agreement could in fact be made, notwithstanding that the Union's request under Article 2 was not included in such Collective Agreement.

On the 18th September, 1975, I repeated in front of the Management Committee and the Union Committee the position of Management in respect to Article 2, and again there was no response from the Union and the implication was clear at that time that an agreement could be reached if other Articles could be agreed to.

It was not until Friday, September 19, 1975, that the Union Committee for the first time, indicated that if Article 2 as requested by the Union, was not agreed to by the Company, that this could mean that the Union Committee would recommend a strike vote.

When this was taken back to the Management Committee, the Management Committee was of the view that the Union Committee had not been bargaining in good faith. Although, I shall not go as far as saying that the Union Committee was bargaining in bad faith, I am compelled to say however, that on three occasions during my appointment as Conciliation Commissioner, including the misunderstanding in respect of Article 2, that the Union Committee misled this Commissioner to the detriment of the negotiations.

To try to resolve this matter, I was able to obtain a commitment from Management that it would -

1. State that the Finance Branch of the Company would remain in Winnipeg for the term of the Collective Agreement.
2. If by removing some part of the work from the Finance Branch in Winnipeg to some other Branch in Air Canada or elsewhere it resulted in a surplus of employees that such surplus employees would be guaranteed employment in Air Canada.

As can be seen from my recommendations in Article 2, I am recommending that the Management go further and guarantee that the surplus employees be given similar work within Air Canada in the City of Winnipeg and with no loss of pay or fringes.

ARTICLE 4 is attached hereto and made part hereof and is marked "Schedule 5".

Reasons for Recommending Article 4 as Worded :

As explained above, the relationship between the Union and the Company during the currency of the first Collective Agreement has been appalling. It has resulted in 92 grievances, 37 of which were in respect to promotions and transfers.

During the negotiations, I was satisfied that the Union was prepared to agree to two categories as requested by the Company and I am also convinced that if the Union will agree to these two categories that a lot of the problems that have arisen in the Finance Branch in respect to transfers and promotions will be resolved.

ARTICLE 5

Attached hereto and made part hereof and marked Schedule 6 is a list of all the employees presently employed by the Finance Branch, showing their present wage scale, their new wage scale, their present weekly wage, their new reclassified weekly wage, my recommended weekly wage commencing August 25, 1975, and my recommended weekly wage commencing January 1, 1976, and their *retroactive pay*.

Also attached as Schedule 6A is the Lead Clerk Premium retroactivity that would be paid to the Lead Clerks in the Finance Branch. (Schedules 6 and 6A not reproduced here).

Reasons for Recommending Article 5 as Worded :

As I am recommending that the duration of the Agreement be for one (1) year from the date of the ratification of such Agreement I recommend that wages be increased as follows:-

1. Commencing with the period August 25, 1975 until January 1, 1976, wages be increased by 10 per cent plus \$9.20.
2. Commencing January 1, 1976 to the expiration of the Agreement, wages be increased by a further 5 per cent.

I think that this increase is fair and reasonable under the circumstances.

Retroactive Pay:

I agree with Mr. Kerr when he states:-

"We do not believe that the retroactivity settlement has any bearing on what the wage increase should now be at this time."

Although the Union did not express any view in regards to retroactive pay, except as it related to reclassification of jobs, I recommend that the Company pay to the employees the amount of retroactive pay that they are each entitled to as per Schedule

attached, together with interest at the rate of 10 per cent per annum compounded annually for the period in which the employee was not receiving the amount he should by the reclassification have been receiving from the Company.

For example, if the employee was paid \$400 a month, but should have been receiving \$500 a month, then for every month that the Company had been underpaying the employee the \$100, the employee should get 10 per cent per annum calculated on a monthly basis and cumulated annually. If the employee had been receiving \$100 less a month for 24 months, he would be entitled to receive retroactive pay of \$2,400 plus interest calculated as follows:-

1. \$100.00 (24 months) interest at 10% for one (1) year - and interest would accumulate on \$110.00 for a further one year - so that on the \$100.00 the employee would receive in interest,	\$10.00		
	\$11.00		
	<u>\$21.00</u>	\$21.00	
2. \$100.00 (23 months) interest at 10% for one (1) year - and interest would accumulate on \$110.00 for a further eleven (11) months so that on the \$100.00 the employee would receive in interest	\$10.00		
	\$10.08		
	<u>\$20.08</u>	\$20.08	
3. \$100.00 (22 months) interest at 10% for one (1) year - and interest would accumulate on \$110.00 for a further ten (10) months - so that on the \$100.00 the employee would receive in interest	\$10.00		
	\$ 9.17		
	<u>\$19.17</u>	\$19.17	
4. \$100.00 (21 months) interest at 10% for one (1) year - and interest would accumulate on \$110.00 for a further nine (9) months - so that on the \$100.00 the employee would receive in interest	\$10.00		
	\$ 8.25		
	<u>\$18.25</u>	\$18.25	
5. \$100.00 (20 months) interest at 10% for one (1) year - and interest would accumulate on \$110.00 for a further eight (8) months - so that on the \$100.00 the employee would receive in interest	\$10.00		
	\$ 7.33		
	<u>\$17.33</u>	\$17.33	
6. \$100.00 (19 months) interest at 10% for one (1) year - and interest would accumulate on \$110.00 for a further seven (7) months - so that on the \$100.00 the employee would receive in interest	\$10.00		
	\$6.42		
	<u>\$16.42</u>	\$16.42	
7. \$100.00 (18 months) interest at 10% for one (1) year - and interest would accumulate on \$110.00 for a further six (6) months - so that on the \$100.00 the employee would receive in interest	\$10.00		
	\$ 5.50		
	<u>\$15.50</u>	\$15.50	
8. \$100.00 (17 months) interest at 10% for one (1) year - and interest would accumulate on \$110.00 for a further five (5) months - so that on the \$100.00 the employee would receive in interest	\$10.00		
	\$ 4.58		
	<u>\$14.58</u>	\$14.58	

9. \$100.00 (16 months) interest at 10% for one (1) year - and interest would accumulate on \$110.00 for a further four (4) months - so that on the \$100.00 the employee would receive in interest	\$10.00 \$ 3.67 <hr/> \$13.67	\$13.67
10. \$100.00 (15 months) interest at 10% for one (1) year - and interest would accumulate on \$110.00 for a further three (3) months - so that on the \$100.00 the employee would receive in interest	\$10.00 \$ 2.75 <hr/> \$12.75	\$12.75
11. \$100.00 (14 months) interest at 10% for one (1) year - and interest would accumulate on \$110.00 for a further two (2) months - so that on the \$100.00 the employee would receive in interest	\$10.00 \$ 1.83 <hr/> \$11.83	\$11.83
12. \$100.00 (13 months) interest at 10% for one (1) year - and interest would accumulate on \$110.00 for a further one (1) month - so that on the \$100.00 the employee would receive in interest	\$10.00 .92 <hr/> \$10.92	\$10.92
13. \$100.00 (12 months) interest at 10% for one (1) year -		\$10.00
14. \$100.00 (11 months) interest at 10% for one (1) year -		\$9.20
15. \$100.00 (10 months) interest at 10% for one (1) year -		\$8.33
16. \$100.00 (9 months) interest at 10% for one (1) year -		\$7.50
17. \$100.00 (8 months) interest at 10% for one (1) year -		\$6.67
18. \$100.00 (7 months) interest at 10% for one (1) year -		\$5.83
19. \$100.00 (6 months) interest at 10% for one (1) year -		\$5.00
20. \$100.00 (5 months) interest at 10% for one (1) year -		\$4.17
21. \$100.00 (4 months) interest at 10% for one (1) year -		\$3.33
22. \$100.00 (3 months) interest at 10% for one (1) year -		\$2.50
23. \$100.00 (2 months) interest at 10% for one (1) year -		\$1.67
24. \$100.00 (1 month) interest at 10% for one (1) year -		.83
	<hr/> \$256.53	

The employee's retroactive pay would therefore be \$2,656.53. The retroactive payments included in Schedule 6 should have the interest factor added to them calculated on the above basis.

ARTICLE 6 — Hours of Work, Shifts, Meal and Rest Periods

The standard workweek is at present forty (40) hours and the employees are allowed one-half hour meal period. The Union has requested that the standard workweek be reduced to 37½ hours with the employees being allowed a one-half hour paid meal period so that exclusive of rest periods, the employees would, in fact, be working 35 hours a week.

Although the presentation of the Union in respect to the reduction of a workweek was anything but effective, this Commissioner is inclined to agree that several office workers, and particularly those with Union contracts, do, in fact, enjoy a 37½ hour week or better, with time off for meal periods.

It is therefore my recommendation that commencing on ratification of the Agreement, the standard workweek shall be reduced from 40 hours to 37½ hours.

ARTICLE 7 is attached hereto and made part hereof and marked "Schedule 8."

Reasons for Recommending Article 7 as Worded:

The parties agreed in every respect to Article 7, with the exception of Article 7.03. The Union Committee was prepared to accept the present 7.03 as written even though in some circumstances it is impossible to interpret.

It was also obvious that Article 7.03 as provided in the first Collective Agreement was agreed to by both the Union and the Company because both sides negotiating the Agreement thought that the Company did in fact record overtime in the manner set out in the First Collective Agreement. It was a mutual mistake and it is my opinion that it should not be taken advantage of at this time by the Union, and in view of my recommendations in respect to other matters favourable to the Union's position, I recommend that the Union accept 7.03 as set out in Schedule 8.

ARTICLE 8 is attached hereto and made part hereof and marked "Schedule 9."

Reasons for Recommending Article 8 as Worded:

In the first collective Agreement it was clear that the Company could ask an employee to work in another classification of a lower or higher classification, providing at all times that the employee was paid the rate of pay paid of the higher classification. This merely clarifies that the Company has the authority to have employees work in another job within the same classification, which to my mind is a Management function.

I do, however, say that if an employee works in a higher rated classification for three or more hours in any one day, the employee should receive the salary of the higher rated classification for that day.

ARTICLE 10 is attached hereto and made part hereof and marked "Schedule 11."

Reasons for Recommending Article 10 as Worded:

I have made no recommendations for a change in Article 10 even though this has caused the Company great concern in respect to the length of time it takes to reduce staff in the event of a reduction of

workload. In view of the great backlog that the Company has at present and the fact that I am recommending the duration of the Agreement be for one (1) year, I should hope that the Company will agree that it can function with Article 10 as it presently is worded in the first Collective Agreement.

I do suggest to the parties however, that in my view some consideration should be given so that the Company is not unduly prevented from reducing staff when the occasion warrants the same.

ARTICLE 11 is attached hereto and made part hereof and marked "Schedule 12."

Reasons for Recommending Article 11 as Worded:

I am of the view that the Article as written is fair because of:-

1. The Company's present group income insurance plan.
2. The fact that it provides that sick leave benefits which are presently enjoyed by the covered employees would not be reduced during the term of the Agreement.
3. The Company has hired a benefits program manager to review all Company benefit programs which hopefully will regularize the benefits received by all employees.

Although I have not recommended that the Company be bound contractually to have the Union District Chairman a full time employee of the Union, I should not think this would be a very significant concession by the Company if it agreed to it.

ARTICLE 12 is attached hereto and made part hereof and marked "Schedule 13."

Reasons for Recommending Article 12 as Worded:

The effect of the wording of this Article will reduce the number of transfers within the Branch and give the Company a chance to properly instruct employees who are placed in new jobs.

This recommendation is made on the understanding that the Company will in fact implement some form of regular instruction to the persons working in the Finance Branch.

ARTICLE 13 is attached hereto and made part hereof and marked "Schedule 14."

Reasons for Recommending Article 13 as Worded:

I think the one extra Statutory Holiday in the year 1976 provided for should be accepted as an adequate compromise in respect to this Article.

ARTICLE 14 is attached hereto and made part hereof and marked "Schedule 15."

Reasons for Recommending Article 14 as Worded:

I am satisfied that both parties had already agreed to the wording I set out, although no written memorandum to that effect was ever signed.

ARTICLE 20 is attached hereto and made part hereof and marked "Schedule 21."

Reasons for Recommending Article 20 as Worded:

With inflation being as high as it is at present it is difficult, if not impossible, to predict what can be expected for anything more than 12 to 15 months in advance.

LETTER OF UNDERSTANDING NO. 1 is attached hereto and made part hereof and marked "Schedule 22".

Reasons for Recommending Letter of Understanding No. 1 as Worded:

The parties had agreed to the contents of Letter of Understanding No. 1 as it relates to the matters included therein.

LETTER OF UNDERSTANDING NO. 2 is attached hereto and made part hereof and marked "Schedule 23."

Reasons for Recommending Letter of Understanding No. 2 as Worded:

The Company had indicated that its intention to have the supervisors spend more time supervising and less time doing work that ordinarily would be performed by employees. I recommend that twenty-eight (28) hours in every month is sufficient time to take care of any emergencies that may arise that would require supervisors to be doing work that is usually done by employees.

LETTER OF UNDERSTANDING NO. 4 is attached hereto and made part hereof and marked "Schedule 25."

Reasons for Recommending Letter of Understanding No. 4 as Worded:

As the Dental Plan is now based on a voluntary basis rather than compulsory as previously provided by the Company, I think that my recommendation in this regard is fair and reasonable.

LETTER OF UNDERSTANDING NO. 5 is attached hereto and made part hereof and marked "Schedule 26."

Reasons for Recommending Letter of Understanding No. 5 as Worded:

As flexible hours could benefit both Management and the employees, I think that a trial basis as suggested is fair to see whether it is in fact reasonable from the points of view of both the employees and the Company. If it proves satisfactory and is implemented in the next contract, provisions could be made that will contractually bind the Company to allow employees a choice in this regard.

LETTER OF UNDERSTANDING NO. 6 is attached hereto and made part hereof and marked "Schedule 27."

Reasons for Recommending Letter of Understanding No. 6 as Worded:

See pages 19 and 20 of this Report.

Duncan J. Jessiman,
Conciliation Commissioner.

Dated: October 8, 1975.

1975 NEGOTIATIONS — FINANCE BRANCH

Statement of Parties

Agreement entered into this day of , 197 between Air Canada, and the Canadian Air Line Employees' Association.

SCHEDULE 1

As used in this Agreement the word "Company" means Air Canada, and the word "Union" means the Canadian Air Line Employees' Association and the word "employee" means the employee in the bargaining unit.

Preamble

This Agreement sets forth the rules concerning wages, hours of work, and working conditions to apply to the parties, and also provides for the operation of the services of the Company under methods which will further, to the extent possible, the efficiency and economy of operations.

It is recognized by this Agreement to be the duty of the Company and the employees to co-operate fully, both individually and collectively, for the advancement of that purpose.

SCHEDULE 2

ARTICLE 1 — Regulations, Organization, Savings Clause and Definitions

1.01 No employee covered by this Agreement will be unlawfully interfered with, restrained, coerced or discriminated against by the Company, its officers or agents because of membership in, or lawful activity on behalf of the Union.

1.02 The Company and the Union agree to abide by all the procedures provided by this Agreement and the Canada Labour Code for the purpose of peaceful settlement of disputes. The Code provides that employees may legally strike, and the Company may legally lockout, provided the requirements of the bargaining and conciliation process have been met and the duration of the Collective Agreement has terminated.

1.03 In view of the orderly procedure established by this Agreement as required by the Code for the settling of disputes, the Union agrees that, during the life of this Agreement, there shall be no strike or stoppage of work, either complete or partial, and the Company agrees that there shall be no lockout, either complete or partial.

1.04 The Canada Labour Code shall take precedence where there is any conflict between its provisions, as amended from time to time, and the provisions of the Collective Agreement or Company initiated rules and/or regulations.

1.05 Organization Structure is as set out in Letter of Understanding No. 3 which is attached hereto and made part hereof.

1.06 Savings Clause

1.06.01 It is recognized by the parties to this Agreement that there must be an orderly approach to organization. This recognition is based on the fact that organization planning is a continuous management activity in every business which is to succeed and grow. Notwithstanding the foregoing this Collective Agreement establishes hereunder certain employee and union acquired rights based on the listed organization structure as set out in Section L.3.01 of Letter of Understanding No. 3. It is understood and agreed that the Company has the right at any time and from time to time, to modify, alter, amend, change, add to, or take away from the listed structure. If, however, the Company should at any time or from time to time, modify, alter, amend, change, add to, or take away from the listed

structure, (hereinafter called "the amended structure") the amended structure shall not during the term of the Agreement take away or modify any acquired rights that the employees or union have acquired hereunder unless the union has otherwise agreed in writing. It is further agreed that should the structure as set out in Section L.3.01 and/or L.3.02 in the Letter of Understanding No. 3 be modified, altered, amended, changed, added to, or taken away from during the term of this Agreement, the Letter of Understanding No. 3 will be amended to reflect those changes at the termination of the Agreement. The employee and union acquired rights referred to above are:

To be completed after the Collective Agreement agreed to in all other respects, together with any other acquired rights resulting from any and all Letters of Understanding, if any, made between the Company and the Union during the term of this Agreement.

1.06.02 Where the provisions of this Agreement are at a variance with the Company regulations, the former shall take precedence.

1.06.03 Gender — the third person masculine gender, when used throughout the Agreement, shall be understood to mean the third person masculine and feminine gender.

1.07 Definitions

1.07.01 Shift — means a period of time within a day as described in a work schedule for which an employee is required to be present:

— A shift starting on or after 0700 hours but before 1200 hours is a day shift;

— A shift starting on or after 1200 hours but before 2000 hours is an afternoon shift;

— A shift starting on or after 2000 hours but before 0700 hours is a night shift.

1.07.02 Requirements of Service — means a situation which calls for immediate action and which could not be predicted nor pre-planned for.

NOTE: A single vertical line means a paragraph revision effective with the current Agreement.

SCHEDULE 3

ARTICLE 2 — Union Recognition

2.01 The Company recognizes the Union as the sole bargaining agent for all persons in the Finance Branch within the territorial limits of Canada save and except those specifically excluded by the certification as granted by the Canada Labour Relations Board.

2.02 Attached hereto and made part of this Agreement is a Letter of Understanding No. 6 in respect to security of tenure for all persons in the Finance Branch of the Company governed by this Collective Agreement.

ARTICLE 3 — Management Rights

- 3.01 The operation of the Company and the direction of employees will continue to be vested exclusively in the Company. The Company agrees that these rights will be exercised in a manner not inconsistent with the terms of this Agreement.

SCHEDULE 4

- 4.06 Short-term employees will be limited to twenty-six (26) weeks' employment. In the event such employees are retained beyond this period, they will be designated as permanent.

- 4.07 The number of short-term employees shall not exceed twenty (20) per cent of the number of permanent employees in the bargaining unit.

- 4.08 The Company shall not use two or more short-term employees consecutively to fill the same job which extends beyond twenty-six (26) weeks.

- 4.09 A short-term employee may be used in any job.

ARTICLE 4 — Categories and Classifications**SCHEDULE 5**

- 4.01 All employees covered by this Agreement shall fall within the following categories and classifications:

Category I — Clerical

Classification	Wage Scale	
Finance Clerk	1	1
Finance Clerk	2	2
Finance Clerk	3	3
Finance Clerk	4	4
Finance Clerk	5	5
Finance Clerk	6	6
Finance Clerk	7	7
Finance Clerk	8	8

Category II — Stenographic

Classification		
Typing/Stenographic Clerk	1	2
Typing/Stenographic Clerk	2	3
Typing/Stenographic Clerk	3	4

- 4.02 All jobs will be classified in accordance with the Job Rating Plan.

- 4.03 The Company may at its discretion create new or additional jobs, combine jobs, determine job content or change job content from time to time and decide not to fill jobs either temporarily or permanently. If by exercising the Company's discretion hereunder it resulted in a surplus of employees, Letter of Understanding No. 6 shall apply to such employees.

4.04 Lead Finance Clerk

- 4.04.01 The Company may designate a Finance Clerk in any classification as a Lead Finance Clerk who may, at the discretion of the Company, in addition to performing some or all of his described duties, be required to provide advice and guidance on the conduct of work; check work for accuracy; coordinate work; provide training on work methods; assist employees with problems; monitor work flow; and, provide work direction.

- 4.04.02 A Lead Finance Clerk shall not be established under conditions where an employee is required to direct a normal work force of one.

- 4.04.03 A Lead Finance Clerk shall be responsible for not more than a normal work force of eighteen (18) employees in his own classification and/or any lower classification.

- 4.05 Short-term employment may be utilized by the Company for such purposes as seasonal work load, acting management assignment, vacation relief, leave of absence, special work program, etc.

Schedule 6 — Salary Scale (not reproduced here)

Schedule 6A — Lead Clerk Premium (not reproduced here)

LEAD JOBS — WINNIPEG FINANCE

Section	Job Number
Refunds	001
Refunds	002
Refunds	016
Cargo Audit	025
Sales Data Control	036
Revenue Reports	038
Ticket Audit	045
Ticket Audit	046
Passenger Manifests	066
Cargo Information & Control	087
Cargo Information & Control	088
Agency	089
Agency	090
Airlines Clearing House	109
Airlines Clearing House	110
Airlines Clearing House	111
Cargo Billing	115
Cargo Billing	116
Cargo Accounting	147
Pricing & Billing	160
Pricing & Billing	161
Sales Results	180
Sales Results	181
Labour & Material	302
Payables	310
Payables	314
Distributions	319
Distributions	331
AC/CN Collections	333
UATP Travel Cards	338
Accounts Receivable	347
Accounts Receivable	349
General Collections	353
AC/CN Travel Cards	370
Payrolls	407
Payrolls	408
Payrolls	409
Pension & Insurance	411
Schedule & Controls	420
Schedule & Controls	421
Central Services	500
Central Services	501
Office Services	508
Property & Equipment	518
Budgets & Cost Controls	524
Cash Controls	600

ARTICLE 7 — Overtime**SCHEDULE 8**

- 7.01 No overtime shall be worked except on authorization of proper management personnel of the Company.
- 7.02 The work day shall be a twenty-four (24) hour period beginning at midnight. All time worked in any tour of duty, including overtime, shall be considered as work performed on the work day on which the shift began.
- 7.03 Authorized time worked in excess of the total hours of the scheduled shift shall be considered as overtime. Overtime and Undertime shall be recorded in tenths of an hour in accordance with Company regulations.
- 7.04 Employees covered by this Agreement will have their overtime credited in accordance with the following:

- 7.04.01 Overtime on a regular work day:
Time and one half — for all time in excess of the scheduled hours up to twelve (12) hours;
and Double time — for all time in excess of twelve (12) hours.

NOTE 1: When an employee reports to work overtime on a regular work day after having completed and left his shift, he shall be credited with a minimum of four (4) hours at the applicable rate of pay.

NOTE 2: When an employee reports to work overtime on a regular work day more than two (2) hours prior to the start of his scheduled shift, the employee shall be credited with a minimum of four (4) hours at the applicable rate of pay.

- 7.04.02 Overtime on a group of scheduled days off:

Time and one half — on the first day worked for all time worked up to eight (8) hours; and Double Time — for all time worked in excess of eight (8) hours on the first day worked, up to a maximum of twelve (12) hours; and Double Time — On the second and subsequent days worked up to a maximum of eight (8) hours each day.

NOTE 1: When an employee reports to work overtime on a scheduled day off, the employee shall be credited with a minimum of four (4) hours at the applicable rate of pay; however, in the event of an employee working over four (4) hours, the employee shall be credited with a minimum of eight (8) hours at the applicable rate of pay.

NOTE 2: Employees shall be prohibited from working in excess of the maximum hours referred to above.

- 7.05 There shall be no pyramiding of overtime credits and the maximum overtime credit under any circumstances shall be double time.
- 7.06 At the end of each month, all time credits will be paid for at the hourly rate. Payment will be made for full hours only and any fraction of hours will be carried forward in the Time Record.
- 7.07 When an employee's Time Record contains overtime credits, compensatory time off, in lieu of payment, shall be granted in accordance with the wishes of the

employee concerned and consistent with the requirements of the Company.

- 7.08 In the event of an employee's Time Record standing at a minus figure at the end of any month, such time will be deducted from the payroll at the hourly rate for full hours only. Fractions of undertime hours will be carried forward in the Time Record.
- 7.09 The Company will post on appropriate bulletin boards, a Monthly Listing, showing the employee name, job classification, location and all overtime, undertime and shift premium accumulated as of the last day of the previous month. The list will be posted no later than fourteen (14) calendar days from the end of the previous month and will include a cumulative total of all overtime worked during the quarter.

SCHEDULE 9**ARTICLE 8 — Relief Duties and Temporary Assignments**

- 8.01 The Company may require an employee to work temporarily in a job in another classification or in another job within the same classification provided the Union District Chairman is given advice of such action.
- 8.02 When, as provided for in Article 8.01, an employee works in another classification which has a higher rate of pay, for a period of at least three (3) hours in any one day, the employee shall receive the salary of the higher rated classification at the same step as his present classification for each such day worked.
- 8.03 An employee covered by this Agreement who accepts a temporary assignment to perform in management shall be paid an increase of ten (10%) per cent above his current salary for each day of the assignment, which exceeds five (5) hours.

SCHEDULE 10**ARTICLE 9 — Probation**

- 9.01 A person hired into a classification covered by this Agreement shall be required to serve a probationary period of twenty-six (26) weeks from date of employment or one hundred and nineteen (119) days worked, whichever is the greater. Time spent in training or time allowed on annual vacation shall be considered as time worked.
- 9.02 The Company reserves the sole right to make decisions regarding the termination, retention or work assignment of an employee at any time during the probationary period.
- 9.03 Employees whose services are terminated during their probationary period lose all rights and privileges and are not subject to the provisions in Article 10.
- 9.04 An employee changing from one classification under the scope of this Agreement to a different classification under the scope of this Agreement shall not be subject to serving a new probation period.
- 9.05 Upon completion of the probation period, the employee shall have the status of regular full-time employee.

SCHEDULE 11**ARTICLE 10 — Seniority**

- 10.01 Seniority of employees shall be established by the date of entry into the Bargaining Unit.
- 10.02 The Company shall prepare and post annually the seniority list, it shall be the sole responsibility of each

employee to examine the published list and, should any error in the order of his name be noted, the employee must make written application prior to July 31. Copies of the request for correction must be sent to the Company and the Union Headquarters.

10.03 The Company shall investigate all alleged errors and if the errors are confirmed the seniority list will be amended to reflect the correction. In the event of a dispute arising from the order of seniority a grievance may be initiated at the Step II level.

10.04 The seniority list as referred to in Article 10.02 shall be published prior to July 1, and corrections thereto shall be published no later than August 31.

10.05 Seniority shall be maintained and accumulated during:

- absence due to layoff;
- sickness or accident; and
- authorized leave of absence.

10.06 In cases of employees hired on the same day, the sequence of seniority shall be determined by applying the following in the order stated:

- Company service; and
- Age, with the older being senior.

In cases where the above factors will not determine the position on the seniority list, the position will be determined jointly by the Company and Union Headquarters.

10.07 Employees accepting promotion or who transfer outside the scope of this Agreement shall retain and continue to accrue seniority for two (2) years from the date of promotion or transfer.

10.08 Employees outside the scope of the Agreement who are holding seniority and who are considered by the Company as unsuited to the assignment, or who express their desire, in writing, to return to their previous function will be returned subject to vacancies being available.

10.09 In the application of the provisions of 10.10, 10.11, 10.12 and 10.13, the parties agree to the general principle of retaining employees with longer seniority over employees with shorter seniority, subject to the Company being able to retain a working force which can meet the requirements of the work.

10.10 In implementing staff reductions, the following procedures will apply:

10.10.01 The reduction of permanent employees in the classification in the department where the redundancy occurs will be made in inverse order of seniority subject to any of the remaining employees being able to perform the work of the most junior employee.

10.10.02 In the event it is alleged by the Company that the remaining employees are unable to perform the work, the second most junior of the remaining employees shall be declared redundant, subject to 10.10.01.

10.10.03 Following a staff reduction, the remaining employees within the department may be re-assigned within their classification within the department if necessary.

10.10.04 There shall be no short-term or probationary employees while there are permanent employees on layoff unless those permanent employees have been unable or choose not to exercise their bumping or recall rights.

10.10.05 Should any dispute arise as a result of implementing the above procedures, the Company and the Union will discuss the relative factors of the case before any decision is implemented. In the event the Company's decision is disputed it will be made subject to grievance and arbitration procedures, which may be initiated at any step by the Union, and the Company will bear onus of proof.

10.11 In the event of staff reduction the employee affected will be given fourteen (14) calendar days' notice and will be informed of his right to bump in accordance with this Article.

10.12 If a vacancy exists in another department in his classification, the employee affected by the reduction in staff shall be offered the vacancy. In such case the employee will be given up to thirty (30) calendar days in which to demonstrate his ability to perform.

10.12.01 If there is no vacancy, or if the employee does not accept the offer according to 10.12, he will be laid off and advised of his right to bump in order of seniority in accordance with 10.12.02, 10.12.03 and 10.12.04.

10.12.02 The employee will be given fourteen (14) calendar days' notice of his right to bump the most junior employee in his category and classification. Failing this, he may bump the most junior employee in either of the next two lower classifications in his category.

10.12.03 If the employee cannot or chooses not to bump in accordance with paragraph 10.12.02, he will be given the opportunity to bump the most junior employee in any category in his own wage scale. Failing this, he may bump the most junior employee in either of the next two wage scales in any category.

10.12.04 Should the employee choose not to, or is unable to bump in accordance with paragraphs 10.12.02 or 10.12.03, he may exercise his seniority rights by displacing the most junior employee in the next lower classification in any category and he may continue this process until all classifications have been exhausted.

NOTE: In the application of 10.12.02, 10.12.03 and 10.12.04 the reference to "the most junior employee" does not necessarily restrict the redundant employee to bumping the most junior employee per se. In the event the redundant employee cannot bump the most junior employee, then the redundant employee may bump and displace the second or subsequent most junior employees.

10.12.05 When claiming a job under 10.12, 10.12.02, 10.12.03 and 10.12.04, subject to the general principles enunciated in 10.09, the employee will be informed of the requirements of the job and if he states he is able to meet those requirements he will be allowed up to thirty

(30) calendar days in order to familiarize himself with his new function. If during the thirty (30) day period, it is determined that he is unable to meet the requirements of the job the employee will be so informed and placed on recall list. Before any decision is implemented at any time during the above procedure the Company and the Union will discuss the relative factors of the case. In the event the Company's decision is disputed it will be made subject to grievance and arbitration procedures, which may be initiated at any step by the Union and the Company will bear onus of proof.

10.13 Any employee who chooses not to or is unable to exercise seniority rights shall be laid off.

10.14 Recall and return will be in order of seniority in accordance with the following:

10.14.01 Employees on the recall list will be recalled to their former positions when vacancies become available.

10.14.02 Employees who were displaced as a result of a layoff will be returned to their former positions when such positions become available.

10.14.03 Employees who were laid off will be offered vacancies in any classification in the division and the employee will be allowed up to thirty (30) calendar days in which to familiarize himself with his new function in accordance with Article 10.12.05.

10.15 A laid off employee may refuse a recall to a lower classification or to short-term employment without forfeiting his recall rights.

10.16 The employee must advise the Company within seventy-two (72) hours of date of receipt of notice if he is accepting recall. This time limit excludes Saturdays, Sundays and Holidays.

10.17 Recalled employees must report for duty within fourteen (14) days from date of advising the Company of their intent to return. This period of time may be extended under extenuating circumstances.

10.18 Failure to comply with 10.16 and/or 10.17 will result in the employee's name being removed from the seniority list and the employee will be considered as having resigned from the service of the Company and shall lose all rights and privileges.

10.19 An employee shall lose his seniority and his name will be removed from the seniority list when he:

10.19.01 resigns, or is dismissed or released;

10.19.02 has been laid off for a longer period than twenty-four (24) consecutive months;

10.19.03 fails to return to work or fails to report inability to return to work following a leave of absence;

10.19.04 fails to return to work in response to a recall notice in accordance with 10.14.01;

10.19.05 when retired with or without pension;

10.19.06 for desertion of service (resignation without notice);

10.19.07 when leaving the scope under the provisions of 10.07.

10.20 In the event circumstances arise which cannot be settled by the application of the above articles the parties agree that the issues will be discussed and resolved at the third level and failing resolution the subject will be handled in accordance with Article 17.

10.21 An employee will not be denied his right to apply for transfer out of the Bargaining Unit, as provided for in Article 12.08, because of being on laid off status.

SCHEDULE 12

ARTICLE 11 — Leaves of Absence, Time Off and Voluntary Reduction of Scheduled Work Hours

11.01 Voluntary Leave of Absence — Voluntary Leave of absence of fifteen (15) calendar days or more shall be in accordance with the following:

11.01.01 When the requirements of the Company permit, an employee, upon written request through his manager, at least twenty-one (21) calendar days in advance of requested commencement date may be granted a voluntary leave of absence or extension thereof without pay for a period not to exceed a total of ninety (90) consecutive calendar days. The twenty-one (21) day requirement may be waived, subject to extenuating circumstances.

11.01.02 Approval for the voluntary leave of absence shall be in writing, stating the date the leave of absence is to commence and terminate.

11.01.03 If the request for voluntary leave of absence is denied, the employee shall be so advised, in writing, with the reasons therefore.

11.01.04 The voluntary leave of absence may be extended for additional periods of up to a maximum leave of absence of 180 consecutive calendar days upon written request to the Personnel Director-Finance and a copy to the Union District Chairman; however, an extension or extensions to a leave of absence beyond ninety (90) days will be granted only with the mutual consent of the Personnel Director-Finance and the Union District Chairman. Such requests must be made no later than twenty-one (21) calendar days prior to the termination of the authorized voluntary leave of absence. The twenty-one (21) days requirement may be waived subject to extenuating circumstances.

11.01.05 When a voluntary leave of absence, or extension thereof, is granted, the employee shall continue to accrue seniority during the leave of absence. Any effect the leave of absence might have on Company service, insurance or other benefits shall be in accordance with Company Regulations.

11.01.06 Should the employee engage in other employment while on a voluntary leave of absence, his name shall be removed from the seniority list and his service with the Company shall be terminated unless special permission has

- first been obtained from the Personnel Director-Finance and Union Headquarters. When such permission has been granted, the employee shall be so advised in writing by the Company and copies shall be sent to Union Headquarters and the Union District Chairman.
- 11.01.07 An employee returning from an approved voluntary leave of absence of one hundred and eighty (180) days or less, shall be returned to his former job, or a comparable job in the same classification, subject to Article 10.
- 11.01.08 In the event there are two or more requests for a voluntary leave of absence, or extension thereof, from employees performing the same duties, seniority shall govern; however, once a voluntary leave of absence or extension thereof has been granted, a junior employee will not be displaced by reason of a subsequent request received from a more senior employee.
- 11.01.09 Copies of all correspondence, with the employee, originated by the Company shall be sent to the Union District Chairman. The employee will also forward copies of his correspondence to the Union District Chairman. Failure to comply with these requirements will render the request invalid.
- 11.02 Maternity Leave —** Maternity leave without pay shall be granted to employees in accordance with the following:
- 11.02.01 An employee with less than twelve (12) months of service shall be granted maternity leave in accordance with Articles 11.02.03 through 11.02.06. If, at the termination of the maternity leave the employee's job has not been filled by means of Article 12 or abolished the employee will be returned to her former job. If the job is not available the employee shall be deemed to be on laid off status and eligible for recall in accordance with Articles 10.14 through 10.18, even though the employee may not have completed the probationary period referred to in Article 9.01. In the event an employee who has not passed her probationary period is on maternity leave, and a staff reduction should occur while the employee is on such leave, or on laid off status following such leave, the employee will be terminated in order of seniority. An employee shall not accrue Company service but she shall accrue seniority.
- 11.02.02 An employee with twelve (12) months of continuous service or an adjusted service date which recognizes twelve (12) months of Company service, shall be granted maternity leave in accordance with Articles 11.02.03 through 11.02.07.
- 11.02.03 The employee must request maternity leave in writing, accompanied by a medical certificate certifying pregnancy and specifying the estimated date of her confinement, four (4) weeks prior to the date she intends to commence such leave.
- 11.02.04 Maternity leave shall commence not more than (90) days or less than forty-two (42) days prior to the estimated date of termination of pregnancy except upon agreement between the employee and the Company, supported by a medical certificate.
- 11.02.05 The maternity leave shall terminate not later than forty-two (42) days following termination of pregnancy. However, the number of such days may be reduced or extended by agreement between the employee and the Company and supported by a medical certificate.
- 11.02.06 Reference herein to a medical certificate shall mean a certificate signed by a qualified medical practitioner chosen by the employee.
- 11.02.07 An employee returning from an authorized maternity leave shall be returned to her former job or to a comparable job in the same classification subject to Article 10.
- 11.03 Sick Leave —** Sick leave benefits which are presently enjoyed by covered employees will not be reduced during the term of this Agreement.
- 11.04 Voluntary Reduction of Scheduled Work Hours —** Should an employee desire a reduction in his scheduled hours of work for a period of fourteen (14) days or less the following procedures will apply:
- 11.04.01 When the requirements of the Company permit, an employee, upon request through his immediate supervisor, at least fourteen (14) days in advance of requested commencement date, may be granted a reduction of his scheduled work hours without pay for a period not to exceed fourteen (14) consecutive calendar days. The fourteen (14) day requirement may be waived, subject to extenuating circumstances.
- 11.04.02 When such reduction is granted, the employee shall continue to accrue seniority during the time not worked. The employee shall also continue to accrue Company service during the time not worked.
- 11.04.03 An employee returning from an authorized reduction of work hours shall be returned to his former job or a comparable job in the same classification, subject to Article 10.
- 11.05 Leave of Absence — Union Business —** Leave of absence for an employee who has been elected or appointed by the Union as a Business Representative to carry out authorized business of the Union on a full time basis on behalf of Air Canada employees, shall be granted a leave of absence for this purpose, provided that not more than one (1) covered employee shall be on such leave at any time. The Union Headquarters will advise the Company of the name of the employee, the term of such leave, and the specific purpose. The Union shall repay the Company for the Company's costs incurred in Employee Benefit Plans and the employee shall continue to pay his contributions directly to the Company. The Company shall provide such employee with free and reduced transportation including annual business pass in accordance with Company regulations. Such employee shall continue to accrue seniority and service while on leave of absence. In addition to the above, an employee who has been elected or appointed by the Union as President shall be granted a leave of absence for this purpose. The Union Headquarters will advise the Company of the name of the employee and

the term of such leave. The Union shall repay the Company for the Company's costs incurred in Employee Benefit Plans and the employee shall continue to pay his contributions directly to the Company. Such employee shall continue to accrue seniority and service while on leave of absence.

11.05.01 Time Off for Union Business — The Company recognizes the importance of prompt handling of Union business, such as the handling of grievances throughout the process, negotiating of amendments to agreements, and the attendance of Union meetings at various levels; the Company further recognizes the importance of the role of Union Officers in carrying out the functions of Union Business. It is therefore agreed that Union representatives be granted reasonable time off and transportation in accordance with Company Regulations to carry out such functions. This time will be allowed as promptly as possible consistent with service pressures. In order to facilitate this process it will be the obligation of the Union representatives to afford as much notice as possible of such needs and to clear their activities both with their own Supervisors and with the Supervisors of the employees involved in any problem situation. It is further agreed that when the requirements of the Company permit, and when requested by the District Chairman, time off will be granted the Vice Chairmen, Team Representatives and employees so that prompt handling of grievances and other Union business can be dealt with.

11.05.02 The Union shall be billed for the time off except in those cases where the Company has agreed to absorb certain costs. In either case, the employees involved in this activity are not debited or removed from the payroll. The time billed will be the actual scheduled time lost, and no account will be taken of the fact that in some cases the absent employee may not be replaced, or that he may be replaced at overtime rates.

11.05.03 Lost time shall be charged to either the Union or the Company, depending on the activity, on the following basis:

Activity	Charge to Code Number
11.05.04 Grievance Procedure, Article 15	
Step 1: Aggrieved Employee(s)	1
One District Union Representative	1
Step 2: Aggrieved Employee(s)	1
One District Union Representative	1
One Regional Director	2
Step 3: District Union Representative ..	1
and/or	
Regional Director(s)	2
(a total of 2 only)	

11.05.05 Grievance Procedure, Article 16
Appeal Hearing:

Aggrieved Employee(s)	1
One District Union Representative	1
Regional Director(s)	2
(a total of 2 only)	

11.05.06 Union-Management Committee Meetings

District Level:

District Chairman	1
District Vice-Chairman	1

Union Representatives when authorized by Management

Headquarters Level:

Executive Vice-Presidents	2
Regional Directors	2
and	
District Union Representatives when authorized by Management	1

11.05.07 Time Off — Union Representatives

Local Situation

District Chairman	1
Vice Chairman	1

District Union Representatives

This includes addressing new employees during the induction period in order to cover the following: Introduction of Union Officers with whom they will be coming in contact; objectives of CALEA's constitution; outline of CALEA's structure and history; Rand Formula and dues checkoff; application of Collective Agreement; Government legislation applicable to Union operation; question and answer period. The presentation to be scheduled during the last 30 minutes of any day during the induction period with a 45-minute limitation.

Activity Charge to Code Number

Branch Situations

District Chairman	1
Vice-Chairman	1
District Union Representatives when authorized by management	1
Regional Directors	2

Headquarters Situations

Executive Vice-Presidents	2
Regional Directors where involved	2
and	
District Union Representatives when authorized by Management	1

11.05.08 Negotiations

Three Union designated members of CALEA's Negotiation Committee for time spent in direct negotiations with the Company 1 or 2

11.05.09 Except as provided for above, the Union will bear the cost of all "productive time" lost by CALEA members and officers while participating in recognized Union activities. These will include, but not limited to: Union conventions; executive meetings; meetings to discuss internal Union business; arbitration and conciliation. The Union will bear the cost

of "productive time" lost by other than the three designated members of the Union Negotiating Committee for whom the Company accepts responsibility salary-wise for the time spent in direct negotiations.

Activity	Charge to Code Number
District Chairman	3
District Vice-Chairmen	3
Vice-Presidents	4
Directors	4

11.05.10 Explanation of Code

Code 1: Time losses of CALEA District Vice-Chairmen, Union Representatives and members to be absorbed by the Company.

Code 2: Time losses of CALEA Executive Vice-Presidents and Regional Directors to be absorbed by the Company.

Code 3: Time losses of CALEA District Vice-Chairmen, Union Representatives and members to be charged to CALEA.

Code 4: Time losses of CALEA Executive Vice-Presidents and Regional Directors to be charged to CALEA.

ARTICLE 12 — Promotions and Transfers

SCHEDULE 13

- 12.01** When the Company elects to fill a job or creates a new job in a category and classification which is equivalent to a Wage Scale 2 or higher it will be advertised by means of a Position Vacancy Advice (P.V.A.) and posted on all Winnipeg Finance bulletin boards for a period of seven (7) working days.
- 12.02** The Position Vacancy Advice shall contain the following information; Category and Classification, primary function of the job, qualifications, required knowledge, education, skills and wage scale.
- 12.03** All Position Vacancy Advices will be issued through Finance Personnel and employees shall be entitled to make written application to a declared vacant or newly created job in their category via Royal Mail to the Personnel Director — Finance, with a copy to the local Union District Chairman, within three days of the closing date of the P.V.A.
- 12.04** The Company shall first consider applications of employees who have been in their present job for three (3) months and for whom the advertised job would be a promotion. If the Company finds no such employees suitable, it shall then consider applications of employees who have been in their present job for less than three (3) months and for whom the advertised job would be a promotion. Should no such employees be suitable the Company will then consider applications of employees for whom the advertised job would be a lateral move or a demotion, providing they have been in their present job for six (6) months.
- 12.05** When selecting an applicant to fill the advertised job the Company will consider ability, qualifications, requirements of the job and seniority. Seniority shall be given consideration, provided the applicants meet all the requirements of the P.V.A.

- 12.06** In cases where there are more than one applicant and where each applicant meets all the requirements of the posted P.V.A. the employee with the most seniority shall be awarded the job subject to the provisions of Article 12.04.
- 12.07** When a senior applicant is not awarded the job advertised by means of a P.V.A. he may appeal the decision within five (5) days of the date of the Notice of Selection in accordance with Article 15.06.
- 12.08** An employee removed from a position awarded him as a result of a grievance filed by a more senior employee, or by virtue of not being able to demonstrate his ability to do the work, shall be returned to his former job or a comparable job in his category and classification. Should his former job have been filled by a P.V.A. and a comparable job in his category and classification is not available the returning employee shall have preference to his former job over the new incumbent.
- 12.09** An employee who is awarded a job shall be given a trial period of up to thirty (30) working days to demonstrate his ability to perform the work. This period shall include training as required and may be extended by an additional thirty (30) working days on the basis of the Supervisor's assessment of the employee's ability during the trial period. When the trial period is extended the employee and the Union must be advised in writing of the reason for the extension, prior to the expiry date of the initial trial period.
- 12.10** An employee requesting a transfer from one category to another may submit his request in writing, via Royal Mail, to the Personnel Director — Finance with a copy to the local Union District Chairman. The receipt of the request for transfer will be acknowledged in writing within seven (7) working days of receipt.
- 12.11** An employee requested transfer will be considered by the Company when all the provisions of Article 12.01 through 12.09 have been complied with.
- 12.12** An employee requesting a transfer out of the bargaining unit for personal reasons may do so by completing a "Request for Transfer Form" and submitting it to the Personnel Director — Finance who will action these transfers in accordance with Company regulations.

ARTICLE 13 — Holidays

SCHEDULE 14

- 13.01** The following holidays, equivalent time off or time credit will be granted to all employees covered by this Agreement:
- | | |
|----------------|----------------------|
| New Year's Day | Thanksgiving Day |
| Good Friday | Remembrance Day |
| Victoria Day | Christmas Day |
| Dominion Day | Boxing Day |
| Labour Day | August Civic Holiday |
| Heritage Day | |
- NOTE: Effective in 1976, an additional holiday (Heritage Day) will be granted and taken in the month of February. The date of the holiday will be February 16. Should the Federal Government declare an additional Statutory Holiday, that holiday will be recognized in lieu of the holiday on February 1.
- 13.02** Holidays will be recorded as follows:
- 13.02.01 Holiday on regular work day:

- a) Employee does not work: Maintain regular pay.
- b) Employee works: Maintain regular pay, plus all hours worked credited at the premium rate of time and one-half.

13.02.02 Holiday on a regular day off:

- a) Employee does not work: Eight (8) hour credit in lieu of holiday.
- b) Employee works: Eight (8) hour credit in lieu of holiday, plus hours worked credited at appropriate overtime rate on the day off in accordance with Article 7.04.02.

13.03 Employees working a 6 x 3 schedule in accordance with 6.02, NOTE 1, or its equivalent will not be entitled to this credit or time off.

13.04 The Company will advise employees covered by this Agreement in writing, at least one month in advance, if the employee is required to work his scheduled shift on any holiday. Those not notified accordingly will be given time off subject to the requirement of the service.

ARTICLE 14 — Vacations

SCHEDULE 15

14.01 Notwithstanding the provisions of this Article it is understood and agreed that the employees will be subject to the provisions and regulations of the Company's policy on past service recognition.

14.02 Employees who have completed less than one (1) year of continuous service by December 31st of each year will be granted one (1) day vacation leave with pay, exclusive of legal holidays, for each full month of continuous service up to December 31.

14.03 Employees who have completed one (1) year or more of continuous service by December 31 of each year will be granted fourteen (14) calendar days vacation leave with pay, exclusive of holidays, as provided in Article 13.01 which may occur during the vacation period.

14.04 Employees who have completed five (5) years or more of continuous service by December 31 of each year will be granted twenty-one (21) calendar days vacation leave with pay, exclusive of holidays, as provided in Article 13.01, which may occur during the vacation period.

14.05 Employees who have completed twelve (12) years or more of continuous service by December 31 of each year will be granted twenty-eight (28) calendar days vacation leave with pay, exclusive of holidays, as provided in Article 13.01, which may occur during the vacation period.

14.06 Employees who have completed twenty (20) years or more of continuous service by December 31 of each year will be granted thirty-five (35) calendar days vacation leave with pay, exclusive of holidays, as provided in Article 13.01, which may occur during the vacation period.

14.07 Employees working a 6 x 3 schedule, or its equivalent, will be governed by Article 6.02.

14.08 Vacation leave will be taken in consecutive days. Vacation leave is not cumulative and will be taken during the twelve (12) months immediately following the period for which it is granted unless special circumstances warrant otherwise and prior arrangements are made in writing with the Company.

A. An employee with a vacation of twenty-one (21) or more days may elect to take his vacation in two parts. The vacation period and date of the second part of the vacation will be allocated in the same way as the first only after all the original seniority process of allocating vacation periods and dates has taken place.

B. An employee with thirty-five (35) days of vacation may elect to take his vacation in three (3) parts. The vacation period and date of the third part of the vacation will be allocated in the same way as the first only after all the original and secondary seniority process of allocating vacation periods and dates has taken place.

14.09 Selection of vacation dates shall be in accordance with the following:

A. Within Sections, employees possessing the greatest seniority will have preference as to the selection of vacation quarters and dates, except that employees transferring, reclassifying, relocating, or exercising bumping privileges after September 30 of each year, shall not affect the vacation quarters that have been selected by less senior employees; however, an employee who has transferred, reclassified, relocated, or bumped after September 30, will have the right to exercise his seniority in the selection of vacation dates in the newly assigned available quarter provided that the deadline for the selection of dates has not expired.

B. Not later than October 1 of each year each employee will be requested to designate the quarter of the year, during which he desires to take his next year's vacation. These quarters are as follows:

First Quarter — January, February, March;
Second Quarter — April, May, June;
Third Quarter — July, August, September;
Fourth Quarter — October, November, December.

C. Not later than October 15 of each year the Company will post a list on appropriate bulletin boards of the quarters assigned. The vacation of the employee concerned must fall within the quarter approved and may not be changed except by mutual agreement between the employee and the Company.

D. The employee will request his vacation dates in writing not later than two calendar months prior to the starting date of the quarter originally approved.

E. Not less than six weeks prior to each quarter, the Company will post on appropriate bulletin boards an approved list of vacation dates. However, the Company shall have the sole right to alter the dates of an employee's vacation up to six weeks prior to the dates established provided that the quarter originally selected is observed, and the vacation dates are not advanced.

14.10 It is recognized by the parties to this Agreement that restrictions on the selection of vacation times may be necessary. It is agreed, however, that such restrictions are undesirable and should be avoided where possible. Any restriction on vacation dates must be declared by the Company prior to the employees' selecting their vacation quarters.

14.11 Vacation dates or quarters shall not be exchanged between employees without prior approval of the local Manager and the local Union Chairman.

- 14.12 Employees dispensed with, discharged or resigning from the service of the Company for any reason are entitled to receive pay in lieu of accrued vacation. The date of separation will not be extended beyond the date of actual termination of service.

ARTICLE 15 — Grievance Procedure — General

SCHEDULE 16

- 15.01 It is the desire of the parties to this Agreement that complaints or grievances be settled as promptly as possible. This Article is to provide for the prompt handling of such matters as alleged misinterpretation or violation of the Agreement, or other causes for complaint, but excluding appeals from disciplinary action or discharge which are provided for in Article 16.
- 15.02 When an employee believes that he has been unjustly dealt with or that any provision of the Agreement has been violated, the employee may, if he so desires, first attempt to settle the matter with his Supervisor. The employee may take this action on his own or accompanied by a Union Representative. Alternatively, the employee may elect to have a Union Representative handle the matter on his behalf with the Supervisor or by initiating a formal grievance.
- 15.03 Subject to 15.04 a grievance shall be initiated by the Union, in writing, and appealed through the following steps:
- Step 1. Immediate Manager, or his designated representative.
 - Step 2. Personnel Director — Finance, or his designated representative.
 - Step 3. Vice-President — Personnel & Organization Development or his designated representative.
- 15.04 Grievances of a general or policy nature may be initiated by the Union at either Step 1 or Step 2 of the Grievance Procedure depending on the nature and scope of such grievances.
- 15.05 If the Union does not receive an acceptable decision at any step in the Grievance Procedure, the grievance may be appealed through subsequent steps of the Grievance Procedure, subject to Article 15.08 until all steps of the Grievance Procedure have been exhausted.
- 15.06 There shall be no time limits on initiating a grievance other than an employee grievance lodged by an applicant to a Position Vacancy Advice. A grievance related to filling a Position Vacancy Advice must be initiated within five (5) clear days of the posting of the Notice of Selection, exclusive of Saturdays, Sundays and Holidays, or upon receipt by the grievor of the Notice of Selection. Grievances of this nature may be initiated at Step 2, of the Grievance Procedure.
- 15.07 When a grievance is initiated, a hearing shall be held within seven (7) days of receipt by the Company of a written notice of grievance. All decisions shall be rendered within seven (7) days of the hearing and shall be communicated, in writing, to the parties concerned.
- 15.08 Requests for an appeal hearing must be lodged in writing within seven (7) days of receipt of a decision. The appeal hearing shall be held within seven (7) days of receipt by the Company of a written notice of appeal. All decisions shall be rendered within seven (7) days of the hearing and shall be communicated, in writing, to the parties concerned.

- 15.09 Any requests for a hearing shall be acknowledged in writing stating the time, date and location of hearing. In the event the Officer designated in Article 15.03 does not intend to hear the grievance, the Officer shall name his designated representative in his letter of acknowledgement.

- 15.10 All time limits will be exclusive of Saturdays, Sundays and Holidays and may be extended by mutual agreement in writing. If the time allowances or any agreed on extensions are not observed by the Union, the grievance will be considered as dropped; if the time allowances or any agreed on extensions are not observed by the Company, the Union may appeal to the next step of the Grievance Procedure and arbitration.
- 15.11 Provided the grievance involves the interpretation, administration, application or alleged violation of the provisions of this Agreement, any dispute not settled through the provisions of Article 15, may be submitted to arbitration as provided for in Article 17. Grievances submitted to arbitration must be in writing within thirty (30) days following receipt of the Step 3 Company decision or within thirty (30) days following the expiration of the time allowances.
- 15.12 Upon request, the Company shall provide the Union with copies of all documents relative to the grievance.
- 15.13 The Company and the Union shall endeavour to have the grievance appeal held in the city of the appellant(s) place of employment.
- 15.14 The Union and the Company may have any witnesses present who can give relevant evidence on the matter in question.
- 15.15 An appellant shall be granted time off with pay when required to appear at Steps 1 and/or 2 of the Grievance Procedure, and shall, where required to travel, be provided with transportation in accordance with Company regulations from point of duty to the point of hearing and return.
- 15.16 Union witnesses who are in the employ of Air Canada shall be given time off without pay, subject to manpower requirements. Witnesses shall, where required to travel, be provided with transportation in accordance with Company regulations from point of duty to the point of hearing and return.

ARTICLE 16 — Discipline and Discharge

SCHEDULE 17

- 16.01 Where disciplinary or discharge action is contemplated, the employee involved may, where necessary, be held out of service pending investigation for up to three (3) working days in order to provide management with sufficient time to investigate and consider all factors involved.
- 16.02 When an employee is held out of service, as provided for in Article 16.01, he shall not have his wages reduced for any period of time that he was held out of service unless he is notified, in writing, that he is suspended pending discharge before the three (3) days have expired.
- 16.03 When the Company is contemplating or taking discipline or discharge action against an employee and they believe it is necessary to interview or interrogate the employee, the Company shall arrange the meeting with the Union District Chairman and the employee and, unless the employee advises the parties at the meeting that he wishes to handle the matter on his own behalf,

a Union Representative shall be present as an observer at all such meetings.

- 16.04** When an employee is to be disciplined, he shall be so advised in writing prior to any disciplinary action being taken. The notice in writing shall state the explicit reason(s) for the disciplinary action, what the disciplinary action will be, and advise the employee of his right to appeal. A copy of any such notice shall be provided to the Union District Chairman.
- 16.05** When an employee is to be discharged, he shall be so advised in writing that he is being suspended pending discharge. The notice in writing shall state the explicit reason(s) for the discharge action and advise the employee of his right to appeal. A copy of any such notice shall be provided to the Union District Chairman.
- 16.06** Disciplinary action involving loss of pay, i.e. suspension without pay, shall be withheld until the deadline for requesting an appeal has expired or, if appealed, until a decision is rendered by the Company.
- 16.07** An employee who has been disciplined or suspended pending discharge may have the Union District Chairman appeal the decision, in writing in accordance with Article 16.08, or the employee may elect to handle the matter on his own behalf in accordance with any such special procedures as may be arranged between the employee and the Company. If the employee elects to handle the matter on his own behalf, the employee will pay all fees and expenses incurred by himself while processing his appeal through Article 16 and Arbitration if the employee proceeds to arbitration.
- 16.08** The appeal must be lodged with the Personnel Director — Finance, in writing, within seven (7) days of receipt by an employee of any written notice of discipline or suspension pending discharge. The appeal hearing shall be held within seven (7) days of receipt by the Company of a written notice of appeal, and a decision shall be rendered within seven (7) days of the hearing and shall be communicated, in writing, to the parties concerned.
- 16.09** The Company shall acknowledge in writing, to the parties concerned, all requests for appeal hearings. The acknowledgment shall state the time, date and location of the hearing. In the event the Personnel Director — Finance does not intend to hear the appeal, he shall name his designated representative in his letter of acknowledgment.
- 16.10** When the procedures outlined in Article 16.08 have been exhausted, and if an acceptable decision has not been received, the Union Headquarters may submit the matter to arbitration in accordance with Article 17.
- 16.11** All time limits will be exclusive of Saturdays, Sundays and Holidays and may be extended by mutual agreement in writing. If the time allowances or any mutually agreed on extensions are not observed by the Union, the appeal will be considered as dropped; if the time allowances or any mutually agreed on extensions are not observed by the Company, the Union may proceed to arbitration in accordance with Article 17. The notice to arbitrate must be in writing within thirty (30) days following receipt of the Company's final decision, or within thirty (30) days following the expiration of the time allowances.
- 16.12** Throughout these procedures, the employees (s) and/or the Union Representative(s) shall be given the full opportunity to present evidence and make representation.

16.13 The Union and/or the Company may have any witnesses present who can give relevant evidence on the matter.

16.14 Providing the appellant has not been suspended pending discharge, he shall be granted time off with pay when appearing at his hearing. Where required to travel, the appellant shall be provided with transportation in accordance with Company regulations from point of duty to the point of hearing and return.

16.15 The Company and the Union shall endeavour to have the appeal hearing held in the city of the appellant(s) place of employment.

16.16 Union witnesses who are in the employ of the Company shall be given time off without pay, subject to the Company's right to restrict the number of witnesses who will be granted time off at any one time. Witnesses shall, where required to travel, be provided with transportation in accordance with Company Regulations from point of duty to the point of hearing and return.

16.17 If the employee has handled the matter on his own behalf, in accordance with Article 16.07, the employee may submit the matter to arbitration in accordance with such special procedures as may be arranged between the employee and the Company. Failing agreement on special procedures, the employee may apply to the Minister of Labour who may appoint an arbitrator who shall have all the powers and responsibilities as set out in Article 17.

ARTICLE 17 — Arbitration

SCHEDULE 18

17.01 Any dispute not settled in accordance with Article 15, or Article 16, may be submitted to arbitration. The party requesting arbitration must serve notice of intent to arbitrate to the other party within thirty (30) days, exclusive of Saturdays, Sundays and Holidays, following receipt of the final decision rendered by the Company in accordance with Article 15 or Article 16 or following expiration of the time limits provided for in Article 15 or 16.

17.02 The Board of Arbitration will consist of one member appointed by the Union, one appointed by the Company and one Chairman appointed by agreement between the appointees of the Union and the Company.

17.03 Each party must appoint its member to the Board within fifteen (15) days of receipt by the other party of a written submission to arbitration pursuant to Article 15 or 16.

17.04 Within seven (7) days following receipt of the name of the other parties' nominee, the nominee of the party requesting arbitration, shall communicate with the nominee of the other party, for the purpose of agreeing on a Chairman. Should the nominee fail to respond within fourteen (14) days of receipt of the request, or should the nominees fail to agree on a Chairman within thirty (30) days of receipt of the request, either of the parties or their nominees may, within thirty (30) days thereafter, request, in writing, the Minister of Labour to appoint a Chairman. Should neither of the parties or their nominees so request the Minister of Labour to appoint a Chairman within this said thirty (30) days, the matter in respect to which the arbitration was requested, shall be considered to be withdrawn and shall be at an end.

17.05 Within fourteen (14) days after his appointment, the Chairman of the Board of Arbitration shall set a time and place for the first sitting of the Board which shall take

place within twenty-eight (28) days after the appointment of the Chairman of the Board of Arbitration unless the parties to this agreement otherwise agree.

- 17.06 By mutual consent the parties may submit any matter to a single arbitrator for determination and in such cases the arbitrator shall be deemed to constitute the Board.
- 17.07 The Board shall have jurisdiction to consider any matter properly submitted to it under the terms of this Agreement.
- 17.08 The Board shall have no jurisdiction to alter, modify, amend or make any decision inconsistent with the terms of this Agreement.
- 17.09 The Board shall establish its own procedure consistent with the requirements of natural justice.
- 17.10 The Board shall make every effort to render a decision within thirty (30) days from the date of the final hearing.
- 17.11 The Board shall in the case of a grievance appeal, under Article 15, have the authority to render any decisions that it considers just and equitable, subject to Article 17.08.
- 17.12 In cases involving discipline or discharge, under Article 16, the Board may uphold the Company's final decision, fully exonerate and reinstate the appellant with pay for all time lost or render such intermediate decision as it considers just and equitable.
- 17.13 A majority decision shall constitute the decision of the Board but failing such majority, the decision of the Chairman shall govern.
- 17.14 A decision of the Board shall be final and binding on the Union, the Company and the employee(s) involved.
- 17.15 The fees and expenses of the Chairman shall be borne equally by each party. Each party shall pay for the fees and expenses of its appointee.
- 17.16 Where the Board deems it necessary to incur other expenses in connection with the case, the Board will consult with the parties before making its decision regarding the incurring of such expenses. Expenses which may be incurred in connection with the services of the Chairman, or arising out of this Article will be borne equally by both parties to this Agreement.
- 17.17 When called by the Board or the Union, the appellant and witnesses who are employees of the Company shall be granted time off without pay subject to the Company's right to restrict the number of witnesses who will be granted time off at any one time.
- 17.18 When arbitration proceedings are held at a place other than the city of the appellant's place of employment with the Company, or last place of employment with the Company, transportation in accordance with Company Regulations shall be provided to and from the point of hearing, to witnesses who are employees of the Company and to the appellant regardless of his status of employment with the Company.

UNION PROPOSAL

SCHEDULE 19

ARTICLE 18 — General Provisions

- 18.01 **Letter of Understanding** — Any Letter of Understanding negotiated between the Company and Union shall be

deemed to form a part of this Agreement as if it had been incorporated herein. A Letter of Understanding shall be identified by a heading and a number, and must be signed by representatives of both parties.

- 18.02 **Union-Management Committee** — It is recognized that meetings between the Company and the Union are essential to the maintenance of good employee-employer relations and the establishment of mutual confidence and trust.

18.02.01 A Union-Management Committee will be established to promote better communications, mutual respect and understanding between the Company and its employees. Meetings will be held each month to discuss ways and means of improving working conditions, methods, safety, operating efficiency, maintenance of good morale and advance discussion of other changes affecting the work or working conditions of employees.

18.02.02 The dates of such meetings will be established by mutual agreement and minutes of such meetings will be prepared and made available to all concerned following approval of both parties.

18.02.03 The meetings of Union-Management committees shall not be considered as being in lieu of the grievance procedures.

- 18.03 **Safety and Health** — It is the responsibility of Management personnel to initiate and monitor all practices necessary to ensure the safety and health of employees. In addition, each employee as well as each Union representative, has an obligation to bring any situation which, in his opinion, represents a hazard to the safety or health of the employees to the attention of the Company.

- 18.04 **Corporate Re-organization** — In the event that the Company changes ownership, merges with another company or in any way changes its corporate identity, this Agreement will remain in full force and effect and the Union recognition now in effect and/or the certificate issued by the Canada Labour Relations Board then in existence shall not be affected in any way except as otherwise governed or directed by the Board. The Company further agrees to enter into negotiations with the Union relative to protection of employees' seniority and other conditions of this Agreement. Failing settlement, the provisions of the Canada Labour Code will apply.

- 18.05 **Orders in Writing** — All orders to an employee involving a promotion, demotion, dismissal, layoff, disciplinary action, and leave of absence shall be stated in writing with copies to the Union Chairman as requested.

- 18.06 **Bulletin Boards** — The Union shall have the privilege of posting notices and related Union material on Company notice boards.

- 18.07 **Copies of Agreement** — The Company and Union desire that all levels of management and all employees affected by this Agreement be familiar with the provisions herein. For this reason all employees and all levels of management concerned shall be given a copy of this Agreement and any subsequent changes to this Agreement including Letters of Understanding.

- 18.08 **Training** — All training taken preceding or following a regularly scheduled shift or on a regular day off will be

credited at time and one half. If training is done on a regular day off there will be a minimum recall credit of four (4) hours at the time and one half rate. Where possible an employee's shift may be altered in order to coincide with training sessions or courses.

18.08.01 The Company recognizes that it is to the advantage of the parties for employees to learn the duties of other positions and, that reasonable opportunity shall be afforded them to learn the work of such positions during regular working hours when it will not interfere with the performance of their regularly assigned duties.

18.08.02 Supervisors in this regard may arrange with two or more interested employees to exchange positions for temporary periods without affecting the rates of pay of the employees concerned; however, Union representatives shall be informed of all such arrangements.

18.09 **Technological Change** — The Company and the Union agree that in the event of a technological change the Canada Labour Code provisions pertaining to technological change will apply. (Section 149 to 153 inclusive.)

ARTICLE 19 — Checkoff of Union Dues

SCHEDULE 20

19.01 The Company shall deduct on the payroll for the first applicable pay period of each month from wages due and payable to each employee coming within the scope of the Collective Agreement such sum as may be uniformly assessed by the Union Constitution for monthly dues subject to the conditions set forth herein.

19.02 The amount to be deducted shall not be changed excepting to conform with a change in the Union's Constitution.

19.03 Membership in the Union shall be available to any employee eligible under the Constitution of the Union on payment of the initiation of reinstatement fees uniformly required of all other such applicants. Membership shall not be denied for reasons of race, national origin, colour, religion or sex.

19.04 Deduction shall commence on the payroll for the first applicable pay period of the calendar month following the first date of service in, or training for, a job covered by this Agreement.

19.05 If the wages of an employee payable on the payroll for the first applicable pay period of any month are insufficient to permit the deduction of a full amount of dues, no such deduction shall be made from the wages of such employee by the Company in such month. The Company shall not, because the employee did not have sufficient wages payable to him on the designated payroll, carry forward and deduct from any subsequent wages the dues not deducted in an earlier month.

19.06 Only payroll deduction now or hereafter required by law, deduction of monies due or owing the Company, pension deductions and deductions for provident funds shall be made from wages prior to the deduction of dues.

19.07 The amounts of dues so deducted from wages accompanied by a statement of deductions from individuals shall be remitted by the Company to the Union as may be mutually agreed by the Union and the Company

not later than thirty (30) calendar days following the pay period in which the deductions are made.

19.08 The Company shall not be responsible financially or otherwise either to the Union or to any employee, for any failure to make deductions or for making improper or inaccurate deductions or remittances. However, in any instance in which an error occurs in the amount of any deduction or dues from an employee's wages, the Company shall adjust it directly with the employee. In the event of any mistake by the Company in the amount of its remittance to the Union the Company shall adjust the amount in a subsequent remittance. The Company's liability for any and all amounts deducted pursuant to the provisions of this Article shall terminate at the time it remits the amounts payable to the Union.

19.09 The question of what compensation, if any, to be paid the Company by the Union in recognition of services performed under this Article shall be left in abeyance subject to reconsideration at the request of either party on fifteen (15) days notice in writing.

19.10 In the event of any action at law against the Parties hereto resulting from any deduction or deductions made from payrolls or to be made by the Company pursuant to the first paragraph of this Article, both parties shall co-operate fully in the defence of such action. Each party shall bear its own costs of such defence except that if at the request of the Union counsel fees are incurred these shall be borne by the Union. Save as aforesaid the Union shall indemnify and save harmless the Company from any losses, damages, costs, liabilities or expenses suffered or sustained by the Company as a result of any such deduction or deductions from payrolls.

ARTICLE 20 — Duration of Agreement

SCHEDULE 21

20.01 This Agreement shall become effective August 25, 1975, except as otherwise provided herein, and shall continue in full force and effect until (1 year after signing) subject to Articles 18.04 and 18.09, and may be amended by mutual agreement, in writing, between the parties hereto. It shall remain binding thereafter from month to month, unless notification, in writing, to reopen the Agreement is served by either of the parties hereto on or before 90 days prior to the expiry date, or any continuation of expiry date on a month to month basis, subject always to Article 20.03.

20.02 Where notice to bargain collectively has been given, the Union and the Company shall, without delay, commence to meet diligently to bargain in good faith and make every reasonable effort to enter into a Collective Agreement.

20.03 This Agreement shall remain in full force and effect until superseded by another Agreement or until the requirements of the prevailing federal laws have been met and no agreement has been reached.

LETTER OF UNDERSTANDING NO. 1

SCHEDULE 22

Group Insurances

Group Life Insurance

The Company will pay the full cost of the Group Life Insurance premium up to a maximum coverage of \$25,000. Coverage in excess of \$25,000 will continue to be shared on a 50/50 basis. The level of

coverage will continue to be two and one half times the basic annual earnings up to a maximum coverage of \$40,000.

Group Disability Income Insurance

Group Disability Income Insurance premium will continue to be shared on a 50/50 basis with the Company's premium liability limited to 3/4 of 1% of the employee's basic salary.

Supplementary Health Insurance

Supplementary Health Insurance, Basic Plan 1, premium will continue to be shared between the Company and the employees with the Company's premium liability limited to:

\$1.32 married (monthly)
0.55 single (monthly)

Group Comprehensive Health Insurance

In lieu of the Group Comprehensive Health Insurance Plan, which was discontinued in Canada coincident with the introduction of Medicare in the various Canadian provinces, the Company agrees to pay a monthly Medical allowance of:

\$10 married (monthly)
4 single (monthly)

Eligibility for this allowance is based on the membership status as it is established under the terms for this Insurance Plan.

If the Company introduces any new additional insurance plans, outside of the Agreement, the individual employees covered by this Agreement shall have the right of electing to participate or decline.

Signed and sealed this 1975.

ON BEHALF
OF
AIR CANADA

ON BEHALF
OF
CANADIAN AIR LINE
EMPLOYEES' ASSOCIATION

Vice-President — Finance

President

Vice-President — Personnel &
Organization Development

Business Representative

Director, Labour Relations

Director, Finance Branch Unit

District Chairman

LETTER OF UNDERSTANDING NO. 2

SCHEDULE 23

Recognition

The Company is aware of the Union's concern that the Company

would use supervisors primarily to reduce the number of employees. Some of the work historically performed by supervisors is indeed similar to that of the employees and the parties recognize that it is not realistic to exclude supervisors from performing these duties altogether.

However, the Company will make every reasonable effort to assign bargaining unit work to employees and shall undertake that none of the supervisors shall in any one month spend more than twenty-eight (28) hours performing similar work to that of the employees and that the balance of their time shall be spent primarily in supervising employees.

More specifically, it is agreed that supervisors will not be used on an overtime basis to perform work normally assigned to employees unless the necessary number of fully qualified employees are not available to perform those duties.

LETTER OF UNDERSTANDING NO. 3

SCHEDULE 24

Organization Structure

L3.01

For the purpose of this Collective Agreement the following organization components are defined:

.01 Branch means for the purpose of this Agreement, a branch designated as such in the Organization Section of the Company's Regulation Manual, i.e.

Finance Branch.

0.2 Division — means for the purpose of this Agreement a sub-part of the Finance Branch, i.e.

Winnipeg Finance,
Treasury,
Personnel.

.03 Department — means for the purpose of this Agreement a sub-part of a Division, i.e.

Revenue Accounting — Winnipeg Finance
General Accounting — Winnipeg Finance
Accounting Reports and Policies — Winnipeg Finance
Banking — Treasury

.04 Section — means for the purpose of this Agreement a sub-part of a Department, i.e.

Revenue Accounting

Refunds,
Ticket Audit
Sales Control
Agency
Revenue Reports
Cargo Audit
Cargo Information
Cargo Billing
Cargo Accounting
Airlines Clearing House
Pricing & Billing
Passenger Manifests
Sales Results
General

Accounting Reports and Policies

Financial Statements
Budgets and Costs Controls

Property & Equipment
Central Services
Office Services

General Accounting

Labour & Material
Receivables
Distributions
Payables
Tax
Payrolls
Schedules & Controls
Employee Records, Pension & Insurance
Quality Control
Flight Statistics
Formula Payrolls
Shift Payrolls
Credit Analysis
AC/CN Collections
General Collections
UATP Travel Cards
AC/CN Travel Cards

Banking

Banking

L.3.02

For the purpose of information to the Union, the Company —

.01 acknowledges that in the Finance Branch in its Headquarters in Montreal, it has over and above the organization components defined in L3.01 above the following organization components, namely:

Division:

Controller,
Audit & Financial Consulting Services,
Treasury and Investments.

Under the above Divisions there are the following organization components, namely:

Controller

Financial Planning,
Management Information & Financial Systems,
Corporate Taxes and Corporate Insurance.

Audit & Financial Consulting Services

Audit Services,
Financial Consulting,
Contracts and Agreements.

NOTE: There is also an Audit Service component located in Winnipeg.

Treasury

Assistant Treasurer's Office

Investments

Equity Investments and Fixed Income Investments.

In addition to the above listed components, the Office of the Vice-President has the following additional organization components:

Administrative Assistant
Corporate Economist and Corporate Development
Studies.

(herein called "the balance of the organization structure")

.02 shall within thirty (30) days from implementation of any and all modifications, alterations, amendments, changes, additions to or deletions from the balance of the organization structure as above set out, notify the Union in writing of the same.

LETTER OF UNDERSTANDING NO. 4

SCHEDULE 25

Dental Plan

Individual participation in the Group Dental Insurance Plan shall be voluntary; however, once having exercised his option, the employee's decision is irrevocable. Each employee shall be required to exercise his option on the date he completes his probation period.

Participants in the Group Dental Insurance Plan shall share the cost of the premium on a 50/50 basis with the Company's premium liability limited to:

Married employees — \$4.45 per month
Single employees — \$1.55 per month

Those employees who participated in the Group Dental Insurance Plan prior to August 25, 1975, shall have the option of remaining in the Plan or withdrawing from the Plan. Such option must be exercised within thirty (30) days following ratification of this Agreement.

Those employees who did not participate in the Group Dental Insurance Plan prior to August 25, 1975 shall, within thirty (30) days following ratification of this Agreement, have the option of joining the Plan or remaining out of the Plan for the duration of their employment.

Signed and sealed this

1975

ON BEHALF
OF
AIR CANADA

ON BEHALF
OF
CANADIAN AIR LINE
EMPLOYEES' ASSOCIATION

Vice-President — Finance

President

Vice-President — Personnel &
Organization Development

Business Representative

Director, Labour Relations

Director, Finance Branch Unit

District Chairman

Flexible Hours

The Company and the Union have agreed that there may be mutual advantage in providing the ability, on the basis of a mutual agreement, for experimentation in the area of flexible hours in a work day. Therefore, a committee of two Management and two Union Representatives is hereby established which will study the problems of introducing such a system in Winnipeg Finance and report their findings to their principals within six (6) months of signing this Agreement. Where the Company, Union and the employees have agreed to implement flexible hours it shall be implemented for a period of six (6) months. During the trial period the Committee will monitor the trial and six (6) weeks prior to completion, report their findings to their principals.

On receipt of the reports the Union and the Company will discuss the results of the trial and determine if flexible hours will be continued on a regular basis or discontinued.

Signed and sealed this

1975.

ON BEHALF
OF
AIR CANADA

ON BEHALF
OF
CANADIAN AIR LINE
EMPLOYEES' ASSOCIATION

Vice-President — Finance_____
President_____
Vice-President — Personnel &
Organization Development_____
Business Representative_____
Director, Labour Relations_____
Director, Finance Branch Unit_____
District Chairman

Security of Tenure of Employees working in the Finance Branch of the Company.

The Company undertakes with the Union that—

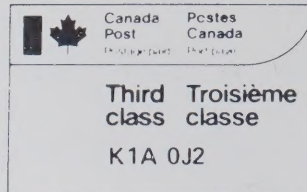
1. The Finance Branch of the Company shall for the term of this Agreement remain in the City of Winnipeg, Province of Manitoba, Canada.
2. If as a result of the Company transferring any part of the work presently being done for the Company by the Finance Branch in Winnipeg to some other Branch of the Company or elsewhere there are a surplus of employees (herein called "the surplus employees") in the Finance Branch in Winnipeg, the Company shall provide *similar employment* for the surplus employees in Air Canada *in the City of Winnipeg at no reduction of salary or fringes to the surplus employees.*

UNION

COMPANY

WITNESS

Date: _____



If undelivered return to:
Canada Department of Labour

En cas de non-livraison, retourner à:
Ministère du Travail du Canada